



## THE FUTURE OF WORK: DIGITAL TECHNOLOGIES AND GIG ECONOMY IN THE GLOBAL SOUTH

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### Abstract:

*The gig economy is transforming labor markets in the Global South, offering new opportunities through digital platforms. However, while it provides flexibility and employment, it also exposes workers to instability, low wages, and a lack of legal and social protections. Many struggle with limited digital access, skill mismatches, and biases embedded in platform algorithms, deepening existing inequalities. This paper examines the intersection of digital platforms, gig work, and policy gaps in developing economies. Through case studies from India, Kenya, Bangladesh, and Brazil, it explores how improved infrastructure, skill development, regulatory reforms, and community-led initiatives can address these challenges. By highlighting both the opportunities and risks of the gig economy, the paper offers actionable recommendations to promote fairer, more inclusive, and sustainable economic growth.*

**Keywords:** *Gig economy, digital technology, Global South, inclusive growth.*

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### Introduction

The gig economy is changing the way people work, especially in the Global South. Digital platforms have created new job opportunities, offering flexibility and independence. In countries like India, Indonesia, and Kenya, gig work has grown rapidly, driven by post-pandemic shifts, rising youth unemployment, and increasing smartphone access.

But while gig work provides income, it also brings challenges—low wages, job insecurity, lack of benefits, and limited digital access. This paper explores how the gig economy is evolving in developing nations, the opportunities it presents, and the barriers that keep it from being truly inclusive. It also looks at how digital platforms are reshaping work and what policies could help create fairer conditions for gig workers.

#### 1. Objective of the Paper:

The primary objectives of this paper are:

1. To analyze the growth and expansion of the gig economy in the Global South.
2. To examine the impact of the digital divide on gig work in developing economies.
3. To explore policy solutions for addressing these challenges and promoting equitable growth within the gig economy.

#### 2. Methodology:

This paper combines qualitative insights with data analysis to explore the gig economy in the Global South.

- Literature Review – We analyze reports from sources like NITI Aayog and the World Bank to understand gig work trends.
- Case Studies – Real-world examples from India, Kenya, Bangladesh, Brazil, and Rwanda highlight regional differences.
- Data Analysis – Using reports from ILO, we examine wage disparities and employment trends.

- Policy Review – We assess gig worker protections, including India's Code on Social Security (2020) and Colombia's Gig Worker Bill.

### The Gig Economy in the Global South:

The gig economy refers to a labor market where workers use digital platforms to find short-term or part-time opportunities, such as ride-hailing, food delivery, freelance coding, and asset-sharing services. Unlike traditional employment, gig work is characterized by flexibility, algorithmic management, and minimal labor protections. Workers operate independently, often balancing multiple income streams instead of relying on a single employer.

The gig economy offers benefits such as flexibility for workers and cost-efficiency for employers. For example, platforms like Uber allow companies to avoid the financial commitment of full-time employees while providing workers with autonomy over their schedules. In India, the gig economy is projected to add 90 million jobs and contribute 1.25% to the GDP by 2030, reflecting its significant potential in emerging markets.

#### 1. Growth Drivers:

The gig economy's expansion in the Global South is driven by several factors:

##### *Post-Pandemic Shifts:*

The COVID-19 pandemic significantly helped in the expansion of the gig economy, especially in the developing countries. As the traditional employment opportunities reduced due to lockdown, several people turned to gig work for survival. Pandemic induced disruptions also forced the businesses to shift their operations online, and thus, increasing the demand for food delivery, e-commerce and remote free-lancing (Kumar, V., 2022). India saw a surge in participation with projections indicating a rise from 8 million gig workers to nearly 24 million by 2029-30.

##### *Youth Unemployment:*

Youth unemployment is a major challenge in the Global South, with a large share of the population

under 25. In India, the gig economy has become a key source of jobs for young people, driven by internet growth and demand for flexible work. Platforms like Swiggy, Zomato, and Urban Company have absorbed thousands of youth into delivery and home services. A 2021 BCG report estimates that India's gig economy could create 90 million jobs, particularly benefiting low-skilled youth who struggle to find formal employment.

##### *Informality:*

Over 85% of jobs in the Global South are informal, offering little stability or legal protection. The gig economy provides a semi-formal alternative by connecting workers to digital platforms. In India, gig work is expanding rapidly. A 2022 NITI Aayog report estimates that by 2029-30, 23.5 million workers will be part of the gig economy, growing from 1.5% to 4.1% of the total workforce. Gig work offers flexibility and better income security than traditional informal jobs. For example, Swiggy's "Moonlighting Policy" allows delivery workers to take multiple jobs, boosting their earnings. Uber India, in partnership with NSDC, has also introduced financial and digital literacy programs to upskill gig workers.

Despite its growth potential, gig workers in the Global South earn significantly less than their counterparts in developed countries. This is discussed in the next section.

#### 2. Gig Economy and Wage Disparity :

The gig economy in India is expanding rapidly. However, earnings in this sector vary widely based on skill levels and job type. For low-skilled gig workers, such as delivery personnel for Swiggy, Zomato, and Blinkit, monthly earnings typically range between ₹12,000–₹18,000. However, these earnings are often unstable due to intense competition, algorithm-driven work allocation, and fluctuating demand (PLFS, 2023). Many workers also face long hours and poor working conditions, with the Fairwork India Ratings 2022

ranking platforms like Ola and Uber poorly on fair pay and labor standards.

On the other hand, high-skilled gig workers, such as IT professionals, designers, and consultants working through platforms like Toptal and Freelancer, can earn between ₹50,000–₹1,50,000 per month. Despite the higher pay, their income remains uncertain due to inconsistent projects, currency fluctuations, and client biases favoring North American and European freelancers (ASSOCHAM, 2023).

This global disparity in earnings is stark. A study by Payoneer (2023 Freelancer Insights Report) reveals that freelancers in North America earn an average hourly rate of \$56, compared to \$20 in Asia and \$22 in Africa. These wage gaps highlight the structural inequalities in the global gig economy, where location plays a crucial role in determining earnings.

Region	Average hourly rate
North America	\$56
Western Europe	\$27
South America	\$24
Central and Eastern Europe	\$23
Africa	\$22
Asia	\$20
Central America	\$18

Source: Payoneer 2023 Freelancer Insights Report

### Understanding the Digital Divide:

The digital divide, or unequal access to technology, internet connectivity, and digital skills, continues to exclude large sections of the Global South from fully benefiting from digital work opportunities.

#### Limited Access to Digital Infrastructure

In many parts of the Global South, simply getting online is a challenge. While 85% of Europe's population has internet access, only 28% of people in Sub-Saharan Africa are connected (International Telecommunication Union, 2023). Infrastructure gaps

are especially severe in rural areas- 13% of Africa's population has no mobile network coverage at all, leaving 160 million people without even basic connectivity. Even where mobile networks exist, power outages and inconsistent electricity supply, common in regions like South Asia and Africa, further restrict access to digital work.

#### Affordability:

Even when internet access is available, it is often unaffordable for low-income workers. In many low-income countries, 1GB of mobile data still costs 5–10% of a worker's monthly income (World Bank, 2022). Sub-Saharan Africa faces the highest data costs, where 7.1% of average income is spent on mobile data—though this is an improvement from previous years, it remains out of reach for many gig workers. Some governments have introduced subsidized plans to ease this burden—Sierra Leone, for example, reduced data costs from 25.9% to 9.9% of income—but large-scale affordability challenges persist.

#### Digital Literacy:

Beyond having internet access, gig workers need digital skills to navigate online platforms, but many in low-income countries lack even basic digital literacy. In rural Pakistan, for example, 65% of women lack the skills needed to use gig platforms effectively, reflecting broader trends where cultural norms and limited education prevent women from entering digital work. In India, only 12% of rural households participate in digital literacy programs, further deepening the exclusion (UNESCO, 2022). Without proper training, many potential workers are left behind.

#### Intersection of the Digital Divide and Gig Work:

The digital divide deepens inequalities in the gig economy, limiting access, increasing income instability, and reinforcing algorithmic biases, particularly in the Global South. These challenges manifest in multiple ways:

### 1. Barriers to Entry:

**Device Accessibility:** In Bangladesh, 70% of gig workers share smartphones with family or intermediaries, reducing productivity and increasing dependency. Many ride-hailing drivers lease vehicles from fleet partners, who take a significant share of their earnings, often trapping workers in debt. A 2021 Fairwork Bangladesh report found that 16 out of 103 ride-hailing workers operated at a net loss due to platform fees and intermediary deductions.

**Language Barriers:** Many gig platforms are designed for English-speaking users, excluding non-English speakers. In Francophone Africa, skilled workers struggle to access online jobs due to language mismatches.

### 2. Impact on Livelihoods:

In Kenya, gig workers experience unstable earnings due to network disruptions and exploitative platform policies. Boda-boda (motorcycle taxi) drivers report income drops of 40% during connectivity failures, while Glovo delivery riders make as little as \$2.50 per hour after expenses. A 2022 Fairwork study found that only Glovo met Kenya's statutory minimum wage, while Uber and Bolt paid below the threshold. Additionally, 92% of workers feared sudden deactivation with no safety net. Many Uber and Ola drivers in Bangalore work 12–14 hours a day just to earn \$8–\$10, often exceeding legal working limits.

### 3. Algorithmic Discrimination

**Geographic and Class Bias:** Platforms like Uber Eats prioritize orders from high-income areas, reducing earning opportunities for workers in low-income settlements.

**Racial and Regional Bias:** African freelancers on platforms like Fiverr receive 20% fewer job offers than U.S.-based peers despite having similar skills. The 2021 Fairwork Report also highlights algorithmic penalties against Global South workers, including

automated deactivations with no appeals process

### Policy Pathways to Inclusive Growth: Bridging the Digital Divide in the Global South's Gig Economy

The gig economy has become a major employment source in the Global South, offering flexibility but also reinforcing digital and labor inequalities. Limited internet access, weak labor protections, lack of skills, and algorithmic biases restrict earnings and stability. To make gig work more inclusive, governments must focus on infrastructure, regulation, skills training, and community-led solutions.

#### a) Expanding Digital Access & Affordability

Connectivity remains a barrier, particularly in rural areas. Some successful initiatives include:

**India's Digital India Initiative:** Programs like BharatNet aim to connect 600,000 villages with high-speed internet, while PMGDISHA provides subsidized smartphones.

**Rwanda's Vision 2050:** Increased internet penetration from 27% (2020) to 52% (2024) has expanded gig platforms like SafeMotos into rural areas.

**Cost Reduction Efforts:** India's Common Service Centres (CSCs) offer low-cost internet at ₹10/hour, while Brazil's Internet para Todos slashed broadband costs by 40%, reaching 12 million rural users.

#### b) Strengthening Worker Protections

Lack of legal safeguards leaves gig workers vulnerable to income instability and algorithmic bias. Some key reforms include:

**India's Code on Social Security (2020):** Mandates platforms like Ola and Swiggy to contribute to worker benefits, though only 18% are enrolled in insurance schemes.

**Colombia's Gig Worker Bill (2025):** Guarantees a \$326/month minimum wage and accident insurance for delivery workers. South Africa's Platform Work Bill (2024) enforces fair algorithm audits.



### c) *Bridging the Digital Skills Gap*

Many gig workers lack training for higher-paying roles. Some key initiatives include:

India's Skill India Mission: Trained 12 million workers in digital skills. Amazon's Digital Kendras in Maharashtra help rural women sell handicrafts online, increasing earnings by 60%.

Africa's Andela & Coursera Partnerships: Andela trains 10,000 African developers annually, earning \$25–\$50/hour. Coursera's partnership with Nigeria has upskilled 500,000 workers since 2022.

Bangladesh's ClickBD: Trained more than 30,000 rural women in digital marketing, doubling monthly household incomes from \$80 to \$160.

### d) *Community-Led Innovations*

Beyond government action, grassroots efforts are driving change:

India's DigiPay Cooperative: A farmer-led app in Punjab allows workers to connect directly with clients, increasing tractor rental profits by 30%.

Brazil's AppJusto: An ethical delivery platform paying riders 20% more than competitors by eliminating hidden charges, inspiring similar models like Bengaluru's Driver's Collective.

### Conclusion:

The gig economy has the potential to drive inclusive growth in the Global South, offering flexible income opportunities, especially for marginalized groups like women and young workers. However, challenges such as poor digital access, unstable working conditions, skill gaps, and algorithmic biases limit its ability to create fair and sustainable livelihoods.

This paper highlights the need for a collaborative approach to bridge these gaps. Governments must invest in digital infrastructure (like BharatNet in India), platforms should adopt ethical algorithms (as seen with Brazil's AppJusto), and community-driven solutions like India's DigiPay must be scaled up. Regulatory frameworks, such as Colombia's Gig Worker Bill,

offer valuable lessons in ensuring fair wages and social protections.

By implementing targeted solutions—subsidized internet access, skill development programs, and transparency rules for platform algorithms—the gig economy can become a powerful tool for economic empowerment and upward mobility in developing nations.

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