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Gig Economy and Freelancing: Challenges and Opportunities in Pakistan, a Qualitative Study

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Abstract: The gig economy is increasingly essential for job creation, economic contribution, entrepreneurial opportunities, and global connectivity. This qualitative study explored the evolving landscape of the gig economy and freelancing in Pakistan, highlighting the challenges and opportunities for independent workers in the gig economy. Qualitative research design and thematic analysis methods were used to identify the patterns and themes across the qualitative data. Qualitative data was collected using semi-structured interviews with gig workers nationwide. The sample size was decided based on the saturation point, and expert non-probability sampling was used to collect data. The study identified opportunities for gig workers in Pakistan, such as global access, a tax-free sector, earning remittances, free training, and the flexible nature of the job. Despite the opportunities, the gig economy faces the challenges of internet and online connectivity issues, legal issues, payment issues, VPN access issues, and job burnout. The study also highlighted the policy recommendations for policymakers to increase social protection and resolve legal matters related to the gig economy in Pakistan. The study findings underscore the need for policy interventions, digital infrastructure development, and skill enhancement programs to support sustainable growth in Pakistan's freelancing sector.
Keywords: Gig Workers and Economy, Digital Market, Freelancing, Opportunities, Challenges, Pakistan.[1]

1. Introduction

A radical change was observed in the traditional employment style in the world, and a gradual transformation of the conventional economies into a digital modern economy. Self-employed and freelance workers are the key features of the transformed digital economy [1]. Gazs (2020) defined the new economy as the Partnership approach, which, due to its universal tractability, is modified to the conditions of the modern market economy, which is called a gig economy. In the gig economy, the giggers, who are contractors, offer contracts for individuals and groups, irregularly or regularly, depending on the party's need to complete the task on time and get remuneration. The gig economy is purely performance-based, task- or project-based, and is usually short-term. The terms and conditions of the task or project are traditionally decided on digital platforms; the gig contract is irregular employment [2]. Freelancers and gig workers are the same terms, used interchangeably in the modern digital economy [3].

The gig economy refers to short-term, need-based, and on-demand employment, which is becoming prevalent worldwide and increasing daily in Pakistan. The gig economy is accelerated by the rise of digital platforms and the changing nature of work and workers [4]. The gig economy offers a flexible approach to working, hiring, and digitally approaching work. Hunt and Samman (2019) debated that the gig economy presents a virtual sweatshop and freelancer paradise, which requires careful consideration of the implications for the workers. COVID-19 significantly impacted the world's economies; the gig economy started gaining workers' attention worldwide during the pandemic. Millions of workers lost jobs during COVID-19, which motivated workers to seek alternative employment and income sources. The informal sector is present in almost every world economy; large informal sectors are in developing and underdeveloped economies. The informal sector has become the major component of the gig economy worldwide [5]. Many workers are related to informal manufacturing, SMEs, households, and large informal agriculture sectors. These workers often lack access to

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social security, health care facilities, job security, and other fringe benefits. These informal sectors are now part of the gig economy, facing basic social protections [6].

Pakistan's gig economy is the world's fourth-largest, worth $300 million. The growth of freelancing in Pakistan has been specifically notable for the last few years; the country is a faster, faster, and freelancing nation [7]. The government is rising in its digital platform, contributing to the gig economy's growth. These digital platforms provide Pakistani workers with a platform to connect with clients and offer a variety of freelancing work. More than one million gig workers are recorded in Pakistan in 2024, whereas 42% are involved in software development. According to the Labor Index database, gig workers in Pakistan represent 10% of the world's gig workers. Active gig workers have completed one gig task with famous giggers, with a total of 2.37 million active gig workers in Pakistan. Full-time gig workers have completed 10 gigs and earned more than $ 1000; in Pakistan, 0.55 million are full-time gig workers [8].

The harsh ground realities of the economy in Pakistan since COVID-19 provide a digital platform for unemployed Pakistani youth to join the gig economy. High unemployment, high inflation, lack of access to finance, limited industrial jobs, and de-dollarization motivate youth to join the gig economy. Masood and Naqvi (2024) measured the relationship between Pakistani youth participation in the gig economy and employment fluctuation; the study concluded that there is a positive relationship between these variables. Rahman, Sultan, and Tabassum (2024) explored the essentials of formulating the policies about the businesses, human resources, and legal aspects of the gig economy, which is quite different from the traditional old economy. Freelancers cannot open a bank account in Pakistan as the official address is required to open the account, whereas the gig worker works from home [9].

A research scholar at PIDE Islamabad worked on the challenges and prospects of the gig economy in Pakistan (Irfan, 2023). The thesis highlighted that brain drain, power shortage, internet connectivity, and job security are the key issues for gig workers in Pakistan. The gig economy faces new challenges daily and captures new opportunities as the change is dramatic and rapid in the sector. The trend presents opportunities and challenges, as freelancing can provide flexible income-generating options, especially for women, but it also lacks the stability and benefits of traditional employment. However, this sector's informality and lack of regulation raise concerns about worker exploitation, tax evasion, and money laundering. Only a few studies in Pakistan related to the gig economy have been done, which fills the gap. The study examines the challenges and opportunities of the gig economy in Pakistan.

2. Problem Statement

The gig economy offers flexible income opportunities and connectivity to the world's digital market for unemployed workers in Pakistan. The sector is growing rapidly as the demand for gig work is worldwide, with a young and tech-savvy population and digital platforms. However, gig workers face many significant challenges despite having potential in this sector. Addressing these challenges while leveraging available opportunities is crucial for fostering a thriving gig economy in Pakistan.

3. Objectives & Questions

The study's objectives included discovering freelancers' challenges in Pakistan's modern digital economy. The study highlighted the opportunities available for Pakistani freelancers and the policy recommendations to facilitate the sector. The study answers the following questions to meet the objectives of the study.
What are the key challenges faced by the gig workers in Pakistan?
What are the opportunities for the gig economy in Pakistan?
What are the policy recommendations to speed up the gig economy in Pakistan?

4. Literature Review

The last decade has been phenomenal concerning technological change, especially in information technology. Information technology is now part of every industry, especially retail and wholesale, transport, education, and communication, which was impossible ten years ago. The world's labor market accepted the change in information technology concerning all the economic sectors [10]. The new digital economy is often known as the gig economy and is treated as a 21st-century economy. Modern technology allows fast data transfer in this economy; the world has become one global market on digital platforms, and traditional businesses are adopting the gig economy. The gig economy offers flexible employment in terms of the amount of work, time, and quantity [11].

According to the report by Finance Online, gig workers make up 35% of the total digital workers worldwide. These gig workers are further categorized as moonlighters, freelancers, temporary workers, diversified gig workers, and independent contractors. Payoneer (2020) mentioned that one out of three employees is a gig employee, and most are young and middle-aged. Asian countries account for 28% of gig workers, whereas 35% are women. In Pakistan, a trend of women joining the gig economy has been observed for the last few years. Pakistan's gig workers earn more than the other gig workers of different countries [12],[13]. Pakistan's gig workers offered digital work at low rates compared to the developed world due to the high exchange rate of Pakistan's currency to the dollar. Pakistan, Bangladesh, and India are the top three nations that provide gig workers to the world [14].

Labor catches up with the short-term tasks jobs by using digital channels; these digital challenges allow domestic labor to connect and work globally. Unemployment and the need for additional money motivate the labor force to participate in digital economies, changing the relationship between employer and employee [15]. Another feature of the digital economy is that workers are self-employed and need no formal designation, employment contract, or organization to work with. As the nature of work is different from traditional employment, there are some advantages and disadvantages to regulatory protection for the new sector. These workers are out of the tax net, have no registration with authorities, and do not account for government obligations. On the other hand, these workers face difficulties opening business accounts, obtaining micro-credits, and getting benefits from formal channels [16]. The SMEs hiring employees through digital platforms are relatively cheaper, more efficient, and with less time, according to the survey results of the OECD 2021.

COVID-19 (Novel Coronavirus Disease) is one of the vital elements that contributed to the increase in the gig economy; during the disease, lockdowns occurred almost all over the world. Many industries shifted from manual to digital work, especially the food, education, and financial sectors. Gig workers became increasingly necessary as businesses restructured to survive closures and economic downturns, forcing them to replace full-time staff [17]. Furthermore, Grimmer and Vorobjovas-Pinta (2020) highlighted that the pandemic exposed significant issues with the vulnerable gig worker population. Many of these workers typically find themselves in a perilous position without the safeguards that regular employees enjoy. This discrepancy was evident by unequal access to healthcare and other benefits, including job stability, sick leave, and no unemployment compensation, which led to pandemic-related emergencies and chaos. Wong (2020) reviewed and reinterpreted independent workers' legal rights and positions, which were encouraged by the challenges that mobilized societal and legislative institutions. They signaled a change in how the regulatory community saw the gig economy then, which could have long-term effects and lead to labor laws changing the nature of modern work.

Masood and Naqvi (2024) worked on the relationship between the digital economy and unstable employment trends in Pakistan. The study divided gig workers in Pakistan into different segments, such as freelancers, who usually offer writing, designing, marketing, and programming services. Careem, Uber, In Drive, Yango, and Bykea offer ride-share services in different cities of Pakistan; Food Panda and Pizza Points offer food delivery services. Daraz, OLX, Pakwheel, and others offer multiple products to online sellers; a few gig workers offer content creation on YouTube, TikTok, Instagram, and other applications. Several workers work for large corporations such as Amazon, offering support services and virtual assistance. Some digital platforms are available for gig workers in Pakistan, like TaskRabbit, Fiverr, and Toptal, which provide individual tasks [18]. Many unemployed people and students support their families financially and pay for their education by looking for jobs with flexible and temporary work schedules and a sufficient wage, such as data entry operators, package delivery agents, and food delivery.

Akhtar (2024) highlighted that social media applications were sometimes temporarily banned or sometimes mobile services temporarily stopped in Pakistan, used by political parties and protest groups to motivate people for political or agitational causes. Another reason for the social media ban is fake news, which the government thinks is the cheapest way of communicating with the masses; there is no accountability for fake news and disinformation. Many clients and service users use these applications for ridesharing and food delivery services; some call centers and digital marketing are also affected. Pakistan's earnings from gig workers in 2022 were more than $500 million. Positive, constructive policies are required to improve the gig economy [19].

Taha and Khan (2024) mentioned that gig workers are essential for the economy of Pakistan; their annual contribution to the GDP is about one billion dollars. There is a potential for the gig economy to increase ten percent of the gross domestic product of the economy, or sixty billion dollars, by 2023. The sector has the potential to cover the trade deficit completely. Some studies highlighted the problems gig workers face and the social, legal, and financial issues faced by gig workers globally [20]. The gig workers are out of social security, health coverage, and job security; the employers or the giggers do not provide any safety to the workers. Gig workers globally do not know about the career path, as they do not have formal employment contracts. The risk of losing work and jobs is always there for gig workers, as it is temporary employment, while they face financial risks.

The variable and flexible nature of the work is a vital characteristic of the gig economy. Gig work is "Transience," meaning the website provides work for a short period; the gig workers work in isolation, which has an emotional impact. The gig workers have no job training, mentorship, or organizational experience. Since the work is performed online, it results in emotional tension and isolation. Gig workers meet their [21].

Despite challenges for the gig workers, they have opportunities, as they are boundary-less workers. The gig economy offers flexible income and timing, sometimes a part-time job [22]. Cigdem (2022) described that the most beautiful feature of the gig economy is the creation of new initiatives for each gig worker, which makes it different from the traditional economy. Every gig worker is independent in the choice of work, nature of work, entrepreneurship opportunities, and creativity [23]. Female workers have opportunities to work from home to earn money. Pakistan's complex economic and labor situation offers a new sector for the unemployed youth and women. It is a new opening for women's empowerment in Pakistan, providing financial independence to females to support the family [24]. The gig workers or freelancers provide foreign remittances to Pakistan's economy, and there is a positive relationship between the remittance policy and gig workers' perceptions and attitudes toward the economy. A study was conducted to understand the dynamic range of online subcontracting encounters among the exposed sector of Pakistan. The research showed that freelancers are attractive in online work because of inadequate employment openings of steady occupations, monetary uncertainty, and flexible wage-hour selections, but they face social and structural barriers along with online job market rivalry [25]. Technological advancement, skill development, exploration of niches, and networking are the prime opportunities that gig workers avail themselves of; gig workers have the potential to attract the online educational business, CSS preparation, English language courses, entry test preparation, Online line Islamic courses, IT education, and language skills are the potential areas for Pakistan gig workers [26].

Tech Juice (2022) elaborated that Pakistan's IT sector was 2.66 billion dollars in 2022, raised from 2.1 billion dollars in 2017; the government set a target of 5 billion dollars in 2023, which was almost achieved, and a 15-billion-dollar target for 2026. Similarly, to attain these targets, Pakistan's gig workers need to increase to 1.5 million. IT education, freelancer training, promotional activities, support programs, and special policymaking in this field must be improved. Seventeen thousand software houses are working in artificial intelligence and communication, which is satisfactory, but there is still potential in this sector. Other issues, including online payments, internet speed, internet access, SMEs, and microfinancing for the gig economy, need profound and positive policymaking. There is rapid growth in artificial intelligence and information technology; every new day, an innovation needs updated policies and opportunities. Recently, artificial intelligence (AI) based Browsers, Big Data, IoT (Internet of Things), Deep Data Analysis, and DeepSeek were launched; these technologies with their applications need to be captured by Pakistan's gig workers [27].

PSEB (Pakistan Software Export Board) was established to facilitate software developers, offering many training programs to train IT professionals to boost exports. There is provincial training in all the provinces to promote the gig workers, such as e-rozgar, digibizz, and digital skills. The State Bank of Pakistan made the procedure easy for account opening for the gig workers, which was complex. The SBP and IT enable services jointly to observe gig workers and remittances from outside countries; Bank Alfalah and Faysal Bank have already offered DFA (Digital Freelance Accounts). A MoU (Memorandum of Understanding) has been signed between

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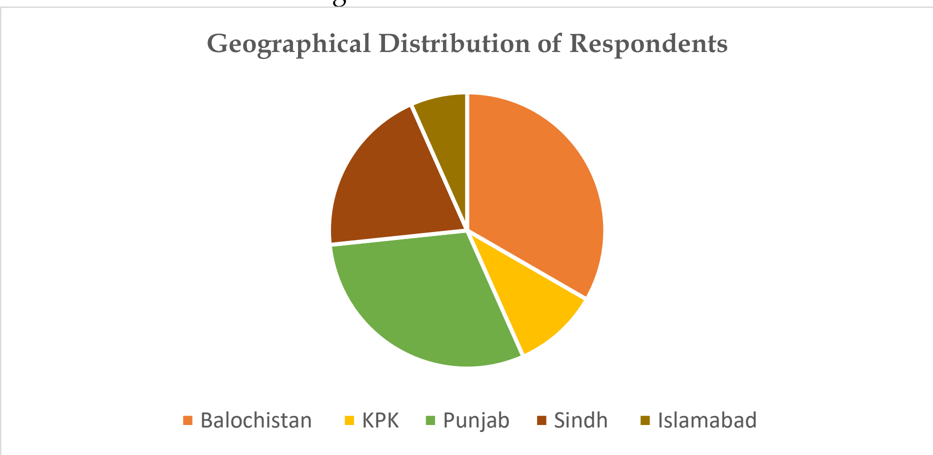
the STZA (Special Zone Authority) and PFA (Pakistan Freelancing Association) to increase employment opportunities for gig workers in Pakistan. A leading newspaper, The Nation (2023), claimed that the MoU targeted the global gig economy market, providing easy business in Pakistan [28]. In 2021, the government drafted the National Freelancing policy for capacity building and increasing the sector performance in Pakistan, along with the Data Protection Bill to secure digital data in Pakistan. The Pakistan government launched the e-tajarat portal for e-commerce; Pakistan gig workers benefit from this e-commerce portal. There are many opportunities for gig workers in Pakistan, such as childcare services, elder care services, nurses and medical treatment services, domestic work, disability care, household technical services, and elder support. These areas or sectors need the involvement of gig workers in Pakistan [29]. Along with these, many other opportunities must be availed by the digital workers in Pakistan. The study is an attempt to highlight the digital workers' opportunities.

5. Methodology

This research study is based on a comprehensive review of the available literature on the gig economy and freelancing in Pakistan, focusing on the challenges and opportunities. The study applied the exploratory qualitative research design to meet the study objectives [30]. Qualitative data was collected face-to-face and telephonically through semi-structured interviews [31],[32]. And the qualitative data was verbatim transcribed for the thematic analysis. The data is analyzed through NVivo to generate the themes [33]. Expert non-probability sampling was used to collect data from all four provinces. Thirty interviews were conducted in four provinces and the capital city, Islamabad, as thirty interviews were the saturation point for the study [34],[35]. The target population for the study is gig workers, IT professionals, and digital economy experts. A few gig workers were contacted through the incubation centers, Digibizz in Balochistan, E-Rozgar in Punjab, Selecta Training and Digi skills in Sindh, and National Freelancing Training in KPK; then, expert sampling was applied.

6. Analysis and Discussion

Qualitative data was taken through the semi-structured interviews, and the data was transcribed verbatim and analyzed using NVivo 14. The descriptive analysis of the data showed that 20% of respondents were female and 80% were male. The respondents were 10 from Balochistan, nine from Punjab, six from Sindh, three from KPK, and two from the capital city. All the respondents were between the ages of 25 and 40 years. The education level of the respondents is a bachelor's or higher.



Respondents were workers of the gig economy; 30 gig workers were interviewed. The interviewed gig workers knew about freelancing and the gig economy. Different paragraphs, sentences, phrases, and words were utilized to consolidate the implications of the codes [36]. 13 codes were constructed to develop three 12 themes for the study; five codes are related to the theme for opportunities of gig workers. Five codes are related to the theme and challenges for the gig workers, and three codes are related to the policy recommendations for the gig economy.

Figure 1. NVivo Word Count

The most repeated 35 words were counted by NVivo and presented in Figure 1. NVivo allows the researchers to compute the most repetitive words in the transcribed qualitative data, which shows the word trends and the importance of the words for the respondents and readers [37].

NVivo software offers a word tree option for data analysis. The word tree presents word frequency in descending order. Word trees allow the researcher to show the hierarchical order of the words that appeared in qualitative data. Figure 2 displays that the words used most in the data are freelancers, gig, Pakistan, economy, platform, and global. The order of the trend of the data used for analysis highlights the data's relevancy [38]. Word trees were used to identify the study's pattern and present the facts more clearly.

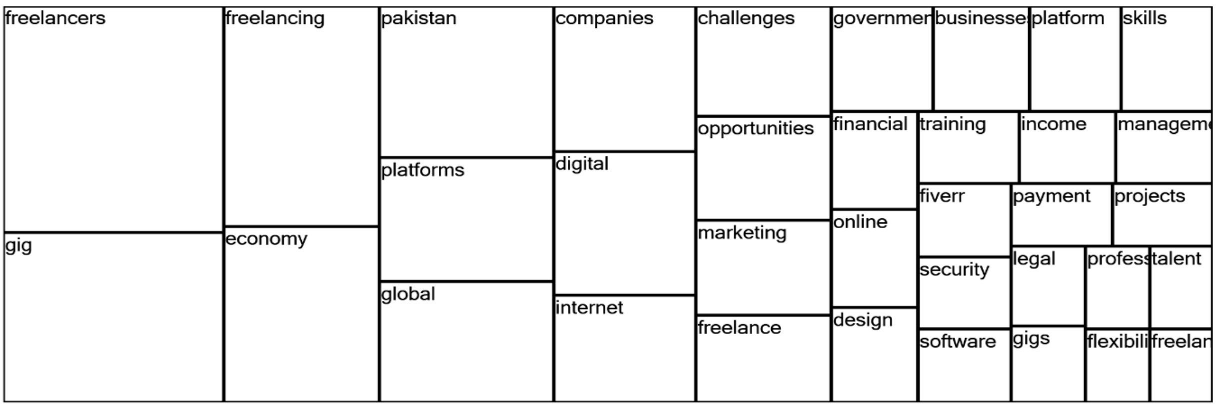


Figure 2. NVivo Words Tree

Cluster analysis assists intuition and more prosperous investigation, cluster analysis groups the observation groups of the ungrouped data.

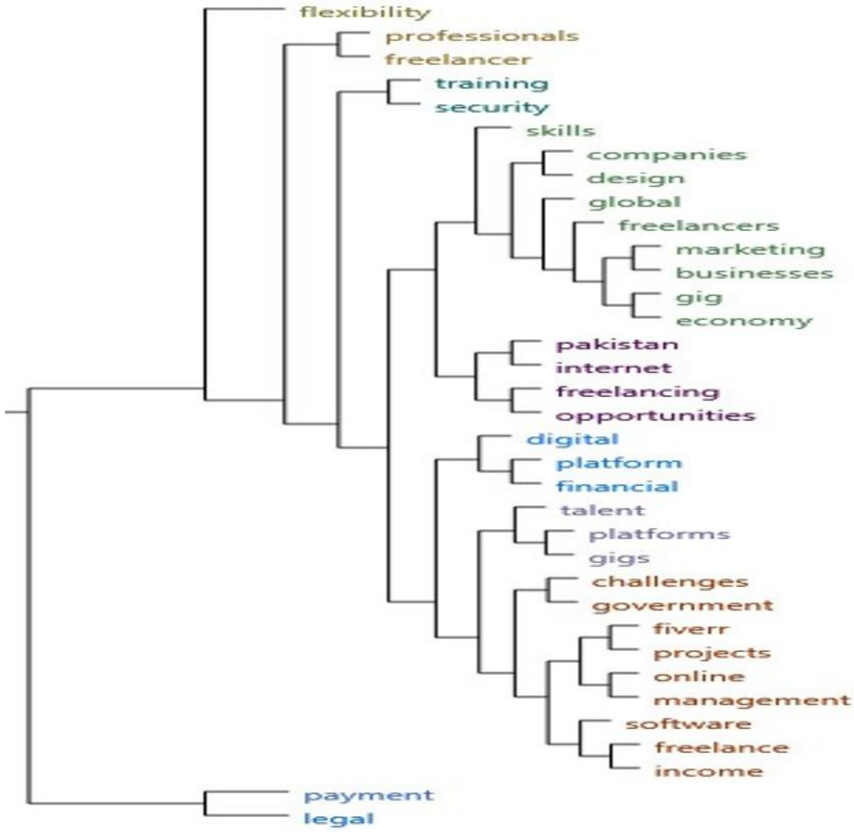


Figure 3. NVivo Cluster Analysis

It is the orderly layout of the creation of the ideas, according to the diagnostic reasoning. Figure 3 represents the reasonable grouping of the data into clusters and sub-clusters. As Fiverr, projects and online are present in one sub-cluster, which makes sense of the sub-cluster that Fiverr offers online projects [39]. Similarly, freelancer, software, and income words are related to one pattern.

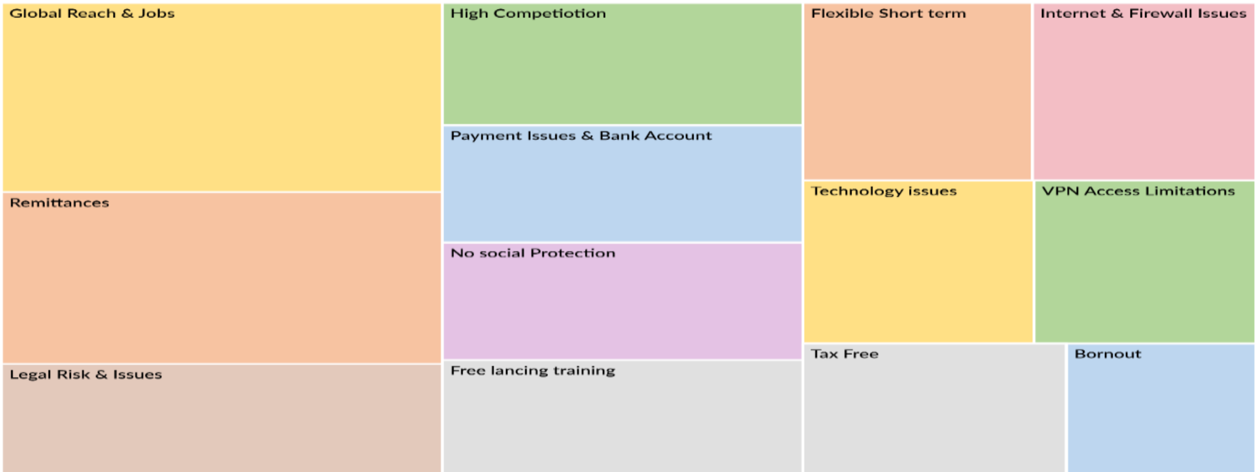


Figure 4. NVivo Codes Hierarchical Chart

NVivo offers graphical presentations of code frequency used in the data files. Figure 4 and Figure 5 highlight the chart and pie chart presentation of the codes used in the data sets.

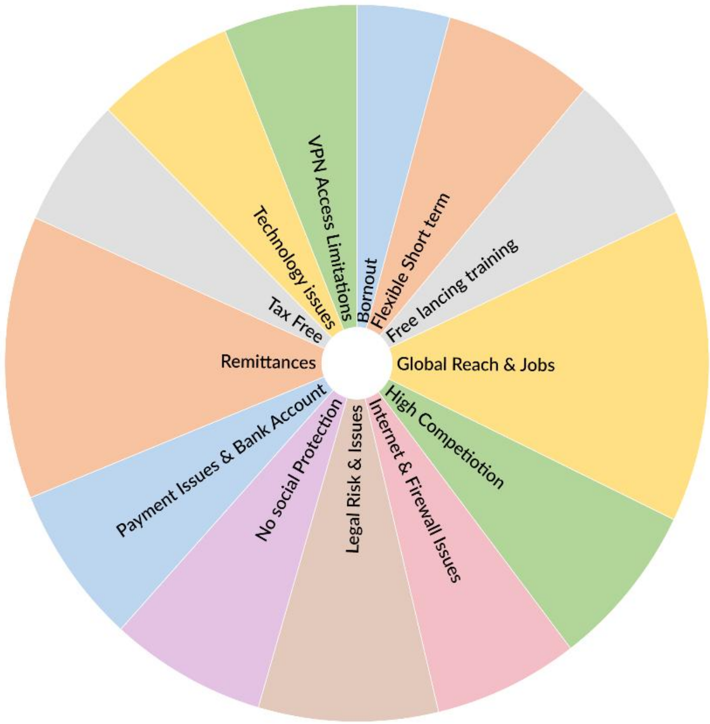


Figure 5. NVivo Sunburst Analysis

The most hit code during the data analysis was "Global Reach & Jobs," whereas the least hit code was "Burnout." NVivo highlights that most respondents talked about the gig workers' global reach and job opportunities. Secondly, respondents spoke about the remittances that gig workers earn [40].

Three predefined themes were highlighted from the literature, and the study's objectives were based on these three themes. The codes and the qualitative data about the themes are presented in Table 1.

Codes	Themes	Explanation
Global Reach & Jobs	Opportunities for gig workers	Gig workers can access the global markets for jobs. [12]
Remittances		Gig workers can earn foreign remittances for the economy [10].
Freelancing Training		Gig workers have opportunities to receive training on freelancing in Pakistan [23].
No Tax		The gig economy is so far out of the proper tax net in Pakistan [13].
Flexible & Short-Term Job		The gig work is flexible employment, but some gig work is short-term. [17].
High Competition	Challenges for the gig workers	Digital markets offer employment globally, so there is more competition than locally [25].
Technology Issues		Rapid technology change is one of the key challenges for the gig workers [11].
Internet & Firewall Issues		Pakistan's gig workers face issues with firewalls and internet availability [16].
VPN Access Limitations		Firewall installation caused limited access to VPNs in Pakistan [19].
Burnout		The gig working environment, deadlines, and job requirements cause burnout among workers [21].
Legal Risk & Issues	Policy recommendations	The digital economy and employees face various legal issues, such as job security, employment contracts, and payment issues [23].

No Social Protection	for the gig economy	The gig employment contract offers no pension, medical insurance, or fringe benefits [24].
Payment Issues & Bank Account		Due to the Anti-Money Laundering Act and other regulations, gig workers have payment and bank account opening issues [25],[26].

The thematic analysis shows few opportunities and challenges for the gig economy and workers; however, the qualitative data indicate some policy recommendations for the gig economy in Pakistan. Most respondents highlighted that Pakistani gig workers have a platform to access the global digital markets, occupy international jobs, and participate in digital projects. These jobs and projects will earn foreign remittances for Pakistan. As the current economic conditions and trade account deficits have been for many years, these remittances will help Pakistan to grow and lessen lending from international financial institutions like the World Bank and the IMF. The gig economy and the digital markets have fewer or no direct taxes in Pakistan, so the salary or remuneration is tax-free in Pakistan, which can motivate the youth to be part of the gig economy [41].

All four provincial governments and the federal government offer different types of training regarding the gig economy. Freelancing and gig work training are available in Pakistan, and most of this training is free of cost to motivate the youth to join the gig economy, so this is an opportunity for the youth to benefit from this training [42]. The qualitative data highlighted that freelancing and gig work are flexible, not permanent employment, like traditional jobs. More people can benefit from these sectors, such as part-time jobs, short-term jobs, and projects [43]. The gig economy provides the best opportunity for women; women can get jobs and earn money from digital platforms while working from home to support their families. The social, religious, and cultural barriers that often hinder women from joining traditional jobs have the best opportunity for financial empowerment in the gig economy [44], [45].

Despite having many opportunities, the gig economy has some challenges in Pakistan. Qualitative data pointed out high competition in the gig economy, as gig workers worldwide are offered online jobs or projects. These contracts and projects can be achieved only with good profiles and excellent skills [46]. Another issue related to the gig economy, both locally and globally, is the advancement of technology [47]. The technology sector is rapidly advancing, and gig workers must update their knowledge and skills with changing technologies. Pakistan gig workers are facing internet and connectivity issues; recently, firewall installations have also caused issues for the gig workers. There have been some bans, checks, and stoppages of VPN access in Pakistan in the last few years, which caused problems for digital workers in Pakistan [48]. The gig workers working from home face burnout issues according to the nature of their work and job. It typically involves irregular times, irregular schedules, financial insecurities, job insecurities, and high self-management, which cause them to burn out [49].

Some gig workers face the issue of skill mismatches; as a result, cheap and ordinary work is only available for gig workers, where the market is mainly saturated. Specialized training programs are required for gig workers to learn artificial intelligence, blockchain, graphic design, content writing, web development, and cybersecurity work [50]. The gig workers need to know the importance of financial inclusion, fintech, and digital transactions to minimize loss.

The thematic analysis provides policy recommendations for policymakers to enhance the sector's productivity. There is no legal standing in the gig economy; everything is on digital platforms, and job and payment insecurity are related to the nature of the work. There is no social protection for the gig worker in a traditional job. Fringe benefits, medical and health insurance, pensions, and employee benefits programs are not part of employment contracts in the digital economy. Pakistani gig workers face the problem of opening a bank account to receive payment against their work digitally, as it requires a policy for payments in the form of foreign remittances and bank account opening [51]. Payment barriers, as there is limited access to PayPal, which is mainly used worldwide for settlements of gig economy payments, are a key hurdle for payments in the gig economy. The transaction fees on a few gig platforms are high, like Payoneer, which discourages freelancers. These high-cost transactions, with a lack of legal protection, discourage gig workers [52].

The benefit of the gig economy is that the gig job is flexible, but having no formal contracts causes payment and work disputes between the gig worker and the gigger. There is rising youth participation in Pakistan's gig economy, as the population aged less than 30 years is more than 60% of the total population. There is a chance to earn foreign remittances and reduce unemployment with more internet penetration. State Bank of Pakistan recently introduced the Roshan Digital Accounts program to facilitate the cross-border remittances inflow, highlighting that policymakers understand the importance of the gig economy. Unlike other businesses, the gig economy did not involve high initial costs but was based on start-ups' skills and limited investments. The future of the economies and all the traditional economic sectors will be wholly or partially converted to the gig economy.

According to the World Meter 2025, 60 percent of the Pakistani population is aged under 30, and the young population of Pakistan has a fair opportunity of earning through the gig economy. The gig economy must relate to information technology education, universities, and colleges to provide a platform for Pakistan's youth to explore the sector's opportunities and benefits. Pakistan's gig economy has the potential for web development, software development, and virtual assistance services for the world. Through skill development, Pakistan's economy will develop partnerships with international companies and bring investment to an end. The gig economy activities must stretch from the urban areas of Pakistan to the rural areas to employ the large rural population. Pakistan's gig economy needs to export gig products to strengthen its exports. Pakistan's large unproductive rural population can contribute to the cause after providing training and digital skills. Financial inclusion through digital wallets is mandatory to increase the gig economy's exports.
Conclusion

The study concluded that the gig economy presents flexibility and increases access to job opportunities, particularly for marginalized groups such as women, unemployed youth, and the workforce. The study highlighted that the gig economy allows workers to reach digital work opportunities globally, and global digital work offers remuneration in foreign currency. Earnings in other currencies increase the net remittances required to decrease the country's trade deficit. Free training opportunities exist for learning and joining the gig economy [53].

A new sector emerged with many opportunities and challenges, such as employee outings and the high competition the gig worker faces. The gig workers face internet speed, connectivity, and poor digital infrastructure, particularly those working from remote urban areas of Pakistan. Freelancers or gig workers face problems with payment and bank accounts. A comprehensive policy approach is needed to address these issues and harness the gig economy's potential, which should include measures to enhance worker protection, promote digital inclusion, and support the growth of the formal economy [54]. Policymakers and stakeholders of the gig economy must work collaboratively to ensure that the gig economy and freelancing in Pakistan, especially in the country's remote areas, thrive in a way that benefits workers and the broader economy. The digital economy in Pakistan presents many opportunities but faces financial, infrastructural, and structural hurdles, which hinder its full potential [55]. By overcoming challenges such as improved payment systems, more skill training, offering legal protection, and increasing the basic infrastructure, Pakistan's position will be a leading freelancing hub globally.

7. Policy Recommendation

The study presents policy recommendations for policymakers to improve the sector's performance and growth. As there is no proper tax on the sector, the government of Pakistan and the Federal Board of Revenue must offer support for freelancing activities by providing incentives and prizes. A fair freelancing protection law must be formulated for tax relief, the PayPal integration system, and social security. There must be more focus on the advanced digital skills in the training offered by the government, such as Artificial intelligence, cloud computing, big data, data sciences, and the establishment of digital entrepreneurs. These programs should also be included in the curriculum at different levels.

The State Bank of Pakistan has to offer a more comprehensive cryptocurrency and digital payment system and policy to open the international payment gateway. High-speed internet, 5G, and a reliable power supply are what the telecommunication ministry is to provide without so many limitations and restrictions for the sector's betterment. A large rural population still out of the gig economy must be considered for gig employment. The Government of Pakistan must focus on rural financial inclusion to increase gig employment.

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Data availability
The datasets generated during and/or analyzed during the current study are available from the corresponding author on reasonable request.

Declarations
Ethics approval and consent to participate
This study was conducted following ethical guidelines, and all necessary approvals were obtained.

Consent for publication
Not applicable.

Competing interests
The authors declare no competing interests.

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