



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 examined the evolving landscape of the gig economy and freelancing in Pakistan, highlighting the challenges and opportunities faced by independent workers in this sector. Qualitative research design and thematic analysis methods were used to identify the patterns and themes across the qualitative data. Qualitative data were collected using semi-structured interviews with gig workers nationwide. The sample size was determined at the saturation point, and expert nonprobability sampling was used to collect the data. The study identified opportunities for gig workers in Pakistan, including global access, a tax-free sector, the ability to earn remittances, free training, and the flexible nature of the job. Despite the opportunities, the gig economy faces challenges related to internet connectivity, legal issues, payment issues, VPN access, and job burnout. The study also highlighted the importance of factors such as global access, a tax-free sector, remittance earnings, free training, and flexibility, and provided policy recommendations for policymakers to increase social protection and resolve legal issues 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. Introduction

A radical shift was observed in the traditional employment style worldwide, and a gradual transformation of conventional economies into a digital, modern economy. Self-employed and freelance workers are key features of the transformed digital economy, defined by the Partnership approach, which, due to its universal applicability, adapts to the conditions of the modern market economy, known as the gig economy (Graham & Anwar, 2019). In the gig economy, gig workers, who are contractors, offer their services to individuals and groups, either irregularly or regularly, depending on the party's need to complete the task on time and receive remuneration. The gig economy is primarily performance-based, task- or project-oriented, and typically short-term. The terms and conditions of the task or project are typically determined on digital platforms; gig contracts are an irregular form of employment (Ostoj, 2020). Freelancers and gig workers are often used interchangeably in the modern digital economy (Bögenhold & Klinglmair, 2016).

The gig economy refers to short-term, on-demand, need-based employment, which is becoming increasingly prevalent worldwide, including in Pakistan. The gig economy is accelerated by the rise of digital platforms and the changing nature of work and workers (Cieslik et al., 2022). The gig economy offers a flexible approach to working, hiring, and managing work digitally. Argue that the gig economy presents a paradox: a virtual sweatshop and a freelance paradise, requiring careful consideration of its implications for workers. COVID-19 significantly impacted the global economy, and the gig economy began to gain the attention of workers worldwide during the pandemic. Millions of workers lost their jobs during COVID-19, prompting them 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 a major component of the gig economy worldwide (Singh, 2023). Many workers are associated with informal manufacturing, SMEs, households, and large informal agricultural 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 and face basic social protection ([Zietlow, 2020](#)).

Pakistan's gig economy is the world's fourth-largest, worth \$300 million. The growth of freelancing in Pakistan has been particularly notable over the last few years; the country is a fast-growing, freelancing nation ([Adil, 2024](#)). The government is expanding its digital platform, contributing to the growth of the gig economy. These digital platforms provide Pakistani workers with a platform to connect with clients and offer a variety of freelancing work. More than 1 million gig workers are recorded in Pakistan in 2024, of whom 42% are involved in software development. According to the Labor Index database, gig workers in Pakistan account for 10% of the global gig workforce. Active gig workers have completed one gig task with famous giggers, bringing the total to 2.37 million. Full-time gig workers have completed 10 gigs and earned more than \$ 1000; in Pakistan, 0.55 million are full-time gig workers.

The harsh economic realities in Pakistan since COVID-19 have created 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 policies about 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 because an official address is required, whereas gig workers work from home ([Adil, 2024](#)).

A research scholar at PIDE Islamabad worked on the challenges and prospects of the gig economy in Pakistan. 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 change in the sector is dramatic and rapid. The trend presents opportunities and challenges: freelancing can offer flexible income-generating options, especially for women, but it 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 on the gig economy in Pakistan have been conducted, helping fill 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, driven by global demand for gig work, a young, tech-savvy population, and digital platforms. However, gig workers face significant challenges despite the sector's potential. 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 identifying the challenges freelancers face in Pakistan's modern digital economy. The study highlighted opportunities for Pakistani freelancers and policy recommendations to facilitate the sector. The study addresses the following questions to achieve its objectives.

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 ([Malik et al., 2021](#)). The new digital economy, often called the gig economy, is seen 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, the timing, and the quantity ([Cope, 2021a](#)).

According to a report by Finance Online, gig workers make up 35% of the global digital workforce. These gig workers are further categorized as moonlighters, freelancers, temporary workers, diversified gig workers, and independent contractors. A report found that 1 in 3 employees are gig workers, 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 those in other countries ([Nawaz et al., 2020](#); [Payoneer, 2020b](#)). Pakistan's gig workers offered digital work at lower rates than in the developed world due to Pakistan's high currency exchange rate with the dollar. Pakistan, Bangladesh, and India are the top three nations that provide gig workers to the world ([Duggan et al., 2020](#)).

Labor catches up on short-term tasks through digital channels; these channels enable domestic labor to connect and work globally. Unemployment and the need for additional income motivate the labor force to participate in digital economies, changing the relationship between employers and employees ([Van Doorn et al., 2023](#)). Another feature of the digital economy is that workers are self-employed and need no formal designation, employment contract, or organization to work with. Because the nature of work differs from traditional employment, there are both 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 microcredit, and accessing benefits through formal channels ([Duggan et al., 2020](#)). SMEs hiring employees through digital platforms are relatively cheaper, more efficient, and faster, according to the OECD 2021 survey results.

COVID-19 (Novel Coronavirus Disease) is one of the key factors driving the growth of the gig economy; during the pandemic, lockdowns were in place in almost every country. 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 ([Williams et al., 2023](#)). Furthermore, Grimmer 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 in unequal access to healthcare and other benefits, including job stability, sick leave, and unemployment compensation, which led to pandemic-related emergencies and chaos. Wong (2020) reviewed and reinterpreted the legal rights and positions of independent workers, which were shaped by the challenges that mobilized societal and legislative institutions. They signaled a change in how the regulatory community viewed the gig economy, which could have long-term effects and lead to labor laws reshaping 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 segments, including freelancers who typically offer writing, design, marketing, and programming services. Careem, Uber, In Drive, Yango, and Bykea offer ride-sharing services in different cities across 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 to gig workers in Pakistan, such as TaskRabbit, Fiverr, and Toptal, which offer individual tasks. Many unemployed people and students support their families financially and pay for their education by taking flexible, temporary jobs with sufficient wages, such as data entry operators, package delivery agents, and food delivery drivers.

Akhtar (2024) highlighted that social media applications were sometimes temporarily banned or mobile services suspended in Pakistan, which political parties and protest groups used to motivate people for political or agitational causes. Another reason for the social media ban is fake news, which the government views as the cheapest way to reach the masses; there is no accountability for it or disinformation. Many clients and service users use these applications for ridesharing and food delivery; some call centers and digital marketing teams are also affected. Pakistan's earnings from gig workers in 2022 exceeded \$500 million. Positive, constructive

policies are required to improve the gig economy (Akhtar, 2024). Noted that gig workers are essential to Pakistan's economy; their annual contribution to GDP is about 1 billion dollars. The gig economy could reach 10% of the economy's gross domestic product, or \$60 billion, by 2023. The sector has the potential to fully cover the trade deficit. Some studies highlighted the problems gig workers face, as well as the social, legal, and financial issues they face globally (Pike et al., 2019).

Gig workers lack social security, health coverage, and job security; neither employers nor giggers provide any safety for workers. Gig workers globally do not know their career paths, as they do not have formal employment contracts. The risk of losing work and jobs is always there for gig workers, as their work is temporary, while they face financial risks. The variable, flexible nature of 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 (Ashford et al., 2018).

Despite challenges, gig workers have opportunities as boundary-less workers. The gig economy offers flexible income and timing, sometimes a part-time job (Brinkley, 2016). The most beautiful feature of the gig economy is the creation of new initiatives for each gig worker, which distinguishes it from the traditional economy. Every gig worker is independent in choosing work, its nature, entrepreneurial opportunities, and creativity. Female workers can work from home to earn money. Pakistan's complex economic and labor situation offers new opportunities for unemployed youth and women. It is a new avenue for women's empowerment in Pakistan, providing women with financial independence to support their families (Zaman et al., 2022). 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 in Pakistan's exposed sector. The research showed that freelancers are attracted to online work because of inadequate employment opportunities in steady occupations, financial uncertainty, and flexible wage-hour arrangements, but they also face social and structural barriers, as well as competition in the online job market. Technological advancement, skill development, niche exploration, and networking are the primary opportunities gig workers avail themselves of; they have the potential to attract the online education business. CSS preparation, English language courses, entry test preparation, Online Islamic courses, IT education, and language skills are the potential areas for Pakistan gig workers (Hussain et al., 2022; Idrees et al., 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 and access, SMEs, and microfinancing for the gig economy, require robust, positive policymaking. There is rapid growth in artificial intelligence and information technology; every day, innovations require 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 (Idrees et al., 2022).

PSEB (Pakistan Software Export Board) was established to facilitate software developers, offer training programs for IT professionals, and boost exports. There is provincial training across all provinces to promote gig workers, such as e-rozgar, digibizz, and digital skills. The State Bank of Pakistan simplified the account-opening process for gig workers, which had been complex. The SBP and IT jointly enable services to monitor gig workers and remittances from abroad; Bank Alfalah and Faysal Bank have already launched DFA (Digital Freelance Accounts). A MoU (Memorandum of Understanding) has been signed between 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.



In 2021, the government drafted the National Freelancing Policy to build capacity and improve sector performance in Pakistan, and the Data Protection Bill to secure digital data. The Pakistan government launched the e-tajarat portal for e-commerce; gig workers in Pakistan benefit from it. There are many opportunities for gig workers in Pakistan, including childcare, elder care, nursing and medical treatment, domestic work, disability care, household technical services, and elder support. These areas or sectors need the involvement of gig workers in Pakistan. Along with these, many other opportunities must be availed by the digital workers in Pakistan. The study aims to highlight the opportunities for digital workers.

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 employed an exploratory qualitative research design to achieve the study objectives (Sekaran & Bougie, 2016; Yin, 2009). Qualitative data were collected face-to-face and by telephone through semi-structured interviews (Pike et al., 2019; Zikmund et al., 2013).

The qualitative data were verbatim transcribed for thematic analysis. The data are analyzed in NVivo to generate themes (Alhojailan & Ibrahim, 2012). 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 this was the saturation point for the study (Galvin, 2015; Hennink & Kaiser, 2022).

The target population for the study is gigging 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 were collected through semi-structured interviews, 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, 9 from Punjab, 6 from Sindh, 3 from KPK, and 2 from the capital city (Figure 1). All respondents were between 25 and 40 years old. The respondents' education level is a bachelor's degree or higher.

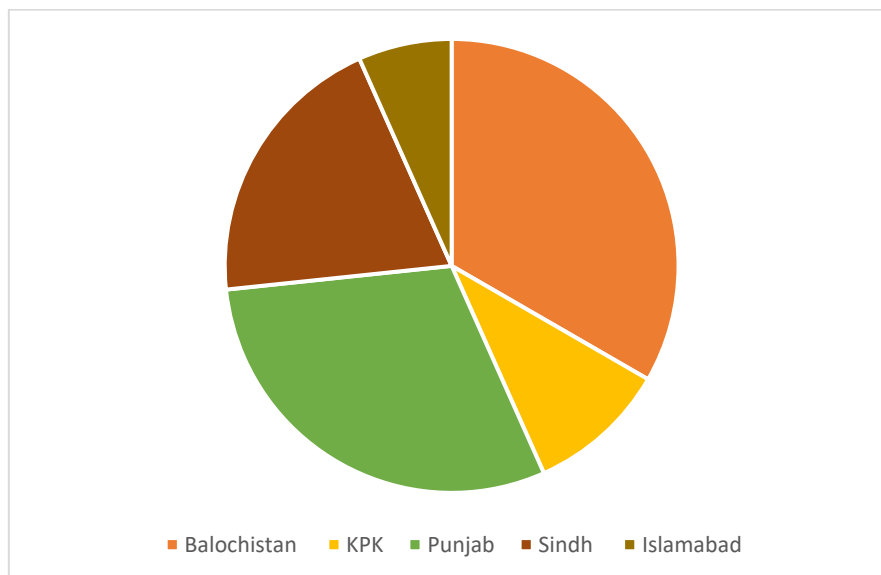


Figure 1: Geographical Distribution of Respondents

Respondents were gig workers; 30 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 (Ostoj, 2020). 13 codes were constructed to develop three 12 themes for the study; five

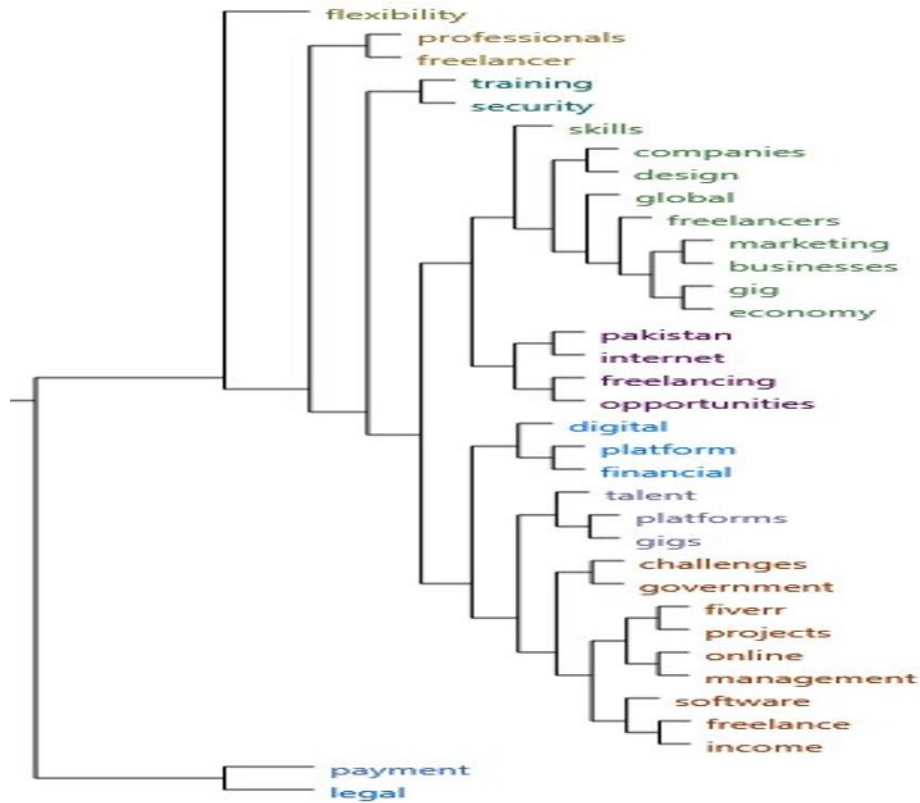


Figure 4: NVivo Cluster Analysis

It is the orderly layout of the creation of the ideas, according to the diagnostic reasoning. Figure 4 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 (Roy & Shrivastava, 2020). Similarly, the words freelancer, software, and income are related to a single pattern.

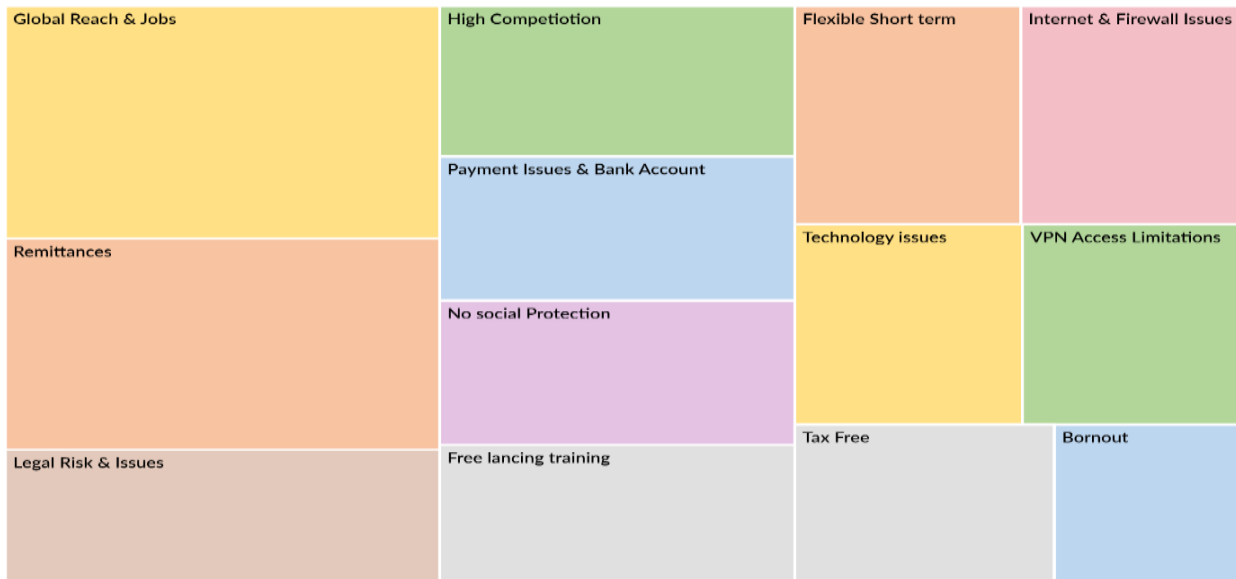


Figure 5: NVivo Codes Hierarchical Chart

NVivo offers graphical presentations of code frequency used in the data files. Figure 5 and Figure 6 highlight the chart and pie chart presentation of the codes used in the data sets.



Figure 6: 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 discussed gig workers' global reach and job opportunities. Secondly, respondents spoke about the remittances that gig workers earn (Schor et al., 2020).

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

Table 1: Codes and qualitative data about the themes

Codes	Themes	Explanation
Global Reach & Jobs Remittances	Opportunities for gig workers	Gig workers can access global job markets (Cope, 2021b). Gig workers can remit foreign earnings to the economy (Cigdem, 2022).
Freelancing Training		Gig workers in Pakistan have opportunities to receive training in freelancing (Shad, 2025).
No Tax		The gig economy is so far out of the proper tax net in Pakistan (Lee & Nie, 2024).
Flexible & Short-Term Job		Gig work is flexible employment, but some is short-term (Galvin, 2015).
High Competition	Challenges for the gig workers	Digital markets offer employment globally, so there is more competition than locally (Grimmer & Vorobjovas-Pinta, 2020).
Technology Issues		Rapid technology change is one of the key challenges for the gig workers (Codementor, 2017).
Internet & Firewall Issues		Pakistan's gig workers face issues with firewalls and internet availability (Shahzad & Ahmed, 2025).
VPN Access Limitations		Firewall installation caused limited access to VPNs in Pakistan (Irfan et al., 2023).
Burnout		The gig working environment, deadlines, and job requirements cause burnout among workers (Jayasankar & Navamani, 2023).
Legal Risk & Issues	Policy recommendations	The digital economy and employees face various legal issues, such as job security, employment contracts, and payment issues (Shad, 2025).



No Social Protection	for the gig economy	The gig employment contract offers no pension, medical insurance, or fringe benefits (Graham & Anwar, 2023).
Payment Issues & Bank Account		Due to the Anti-Money Laundering Act and other regulations, gig workers face issues with payments and bank account openings (Grimmer & Vorobjovas-Pinta, 2020 ; Gulrez, 2022b).

The thematic analysis identifies a few opportunities and challenges for the gig economy and its workers; however, the qualitative data suggest 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. Given that Pakistan has faced persistent economic conditions and trade deficits for many years, these remittances will help Pakistan grow and reduce its reliance on international financial institutions such as the World Bank and the IMF. In Pakistan, the gig economy and digital markets have few or no direct taxes, so salaries or remuneration are tax-free, which can motivate the youth to join the gig economy ([Roy & Shrivastava, 2020](#)). All four provincial governments and the federal government offer different types of training regarding the gig economy. Freelancing and gig work training is available in Pakistan, and most of this training is free to motivate the youth to join the gig economy, making it an opportunity for them to benefit ([Codementor, 2017](#)). The qualitative data highlighted that freelancing and gig work are flexible, not permanent employment, like traditional jobs. More people can benefit from these sectors, including part-time and short-term jobs and projects ([Jarrahi & Sutherland, 2019](#)). The gig economy offers the best opportunities for women; they can find jobs and earn money on digital platforms while working from home to support their families. The social, religious, and cultural barriers that often hinder women from entering traditional jobs offer the best opportunities for financial empowerment in the gig economy ([Gulrez, 2022a](#); [Huang et al., 2019](#); [Schor et al., 2020](#)).

Despite many opportunities, the gig economy faces challenges in Pakistan. Qualitative data indicated high competition in the gig economy, as gig workers worldwide are offered online jobs and projects. These contracts and projects can be achieved only with good profiles and excellent skills ([Nawaz et al., 2020](#)). Another issue related to the gig economy, both locally and globally, is technological advancement ([Payoneer, 2020a](#)). The technology sector is rapidly advancing, and gig workers must keep up with evolving technologies. Pakistani gig workers are facing internet and connectivity issues; recently, firewall installations have also caused issues for the gig workers. There have been bans, checks, and restrictions on VPN access in Pakistan over the last few years, causing problems for digital workers ([Ockwell, 2019](#)). Gig workers who work from home face burnout, depending on the nature of their work. It typically involves irregular hours and schedules, financial and job insecurities, and high self-management demands, which can lead to burnout ([Shantz et al., 2014](#)). Some gig workers face skill mismatches; as a result, only cheap, ordinary work is available to them, and 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 ([Ashford, 2018](#)). Gig workers need to understand the importance of financial inclusion, fintech, and digital transactions to minimize losses. 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 gig workers in traditional jobs. 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 difficulties opening bank accounts to receive digital payments for their work, as this requires a policy for payments in the form of foreign remittances and bank account opening ([Jalil, 2021](#)). Payment barriers, including limited access to PayPal, which is widely used worldwide for gig economy payments, are a key hurdle for payments in the gig economy. The transaction fees on a few gig platforms, like Payoneer, are high, which discourages freelancers. These high-cost transactions, with a lack of legal protection, discourage gig workers ([Nawaz et al., 2020](#)).

The benefit of the gig economy is that gig jobs are flexible, but the lack of formal contracts can lead to payment and work disputes between gig workers and giggers. There is rising youth participation in Pakistan's gig economy, as individuals aged 30 or younger make up more than 60% of the total population. There is a chance

to increase foreign remittances and reduce unemployment through greater internet penetration. State Bank of Pakistan recently introduced the Roshan Digital Accounts program to facilitate inflows of cross-border remittances, underscoring policymakers' recognition of 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 Population 2025, 60 percent of Pakistan's population is under 30, and young Pakistanis have a fair opportunity to earn through the gig economy. The gig economy must be integrated into university and college information technology education to provide a platform for Pakistan's youth to explore the sector's opportunities and benefits. Pakistan's gig economy has the potential to provide web development, software development, and virtual assistance services worldwide. Through skill development, Pakistan's economy will build partnerships with international companies and attract investment. Gig-economy activities must extend from urban to 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 by receiving training and digital skills. Financial inclusion through digital wallets is mandatory to increase the gig economy's exports.

7. 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 enables workers to access digital work opportunities globally, and that 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 ([Iftikhar, 2017](#); [Payoneer, 2020a](#)).

A new sector emerged, offering many opportunities and challenges, including employee outings and the high competition that gig workers face. Gig workers in remote urban areas of Pakistan face slow internet speeds, poor connectivity, and inadequate digital infrastructure. Freelancers and gig workers face issues with payments and bank accounts. A comprehensive policy approach is needed to address these issues and harness the gig economy's potential, including measures to enhance worker protection, promote digital inclusion, and support the growth of the formal economy. Policymakers and stakeholders in the gig economy must work collaboratively to ensure that gig work and freelancing in Pakistan, especially in remote areas, thrive in ways that benefit workers and the broader economy. The digital economy in Pakistan offers many opportunities but faces financial, infrastructural, and structural hurdles that hinder its full potential. By overcoming challenges such as improving payment systems, expanding skill training, providing legal protection, and expanding basic infrastructure, Pakistan's position will become a leading global freelancing hub.

8. Policy Recommendation

The study presents policy recommendations for policymakers to improve the sector's performance and growth. As there is no proper tax regime for the sector, the government of Pakistan and the Federal Board of Revenue must support freelancing activities by providing incentives and prizes. A fair freelancing protection law must be formulated to provide tax relief, integrate with the PayPal system, and address social security. There must be greater focus on advanced digital skills in the government's training, such as Artificial intelligence, cloud computing, big data, data science, and the development of digital entrepreneurs.

These programs should also be included in the curriculum at different levels. The State Bank of Pakistan must offer a more comprehensive cryptocurrency and digital payment system, along with a policy, to open the international payment gateway. The telecommunication ministry aims to provide high-speed internet, 5G, and a reliable power supply, without numerous limitations and restrictions, to improve the sector's performance. A large rural population that is still outside the gig economy should be considered for gig employment. The Government of Pakistan should prioritize rural financial inclusion to promote 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.

Ethics approval and consent

Not applicable. This study uses publicly available, de-identified secondary data and does not involve human participants or personal information.

Competing interests

The authors declare no competing interests.

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