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## Gig economy: The rise of self-employed workers

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Gig work and gig workers appear to be ubiquitous across the world where millions of individuals are hired, generally for piecemeal tasks, using smartphone apps developed by technology start-ups. The gig economy refers to a free market system where short-term and flexible work is prevalent, and businesses frequently recruit independent contractors, project-based workers, and freelancers rather than full-time employees. According to the International Labour Organization (ILO), gig economy consists of two types of jobs: micro tasks that can be completed online and coordinated on a global scale, and services delivered locally, which online companies provide through websites and mobile applications.

In a gig economy, generally, there is no entry barrier. Gig workers have the flexibility to choose the type of work they wish to undertake, and their payment is determined by the type of job, the level of difficulty, and the duration of the assignment. Gig workers have more freedom in how they use their time, and they can take a day off whenever they want. Because of these conveniences, gig jobs attract people, particularly young people and these jobs have become the most popular contemporary trend.

In Bangladesh, digitalization such as internet access and smartphone availability has played a key role in the growth and expansion of the gig economy. Many complicated and time-consuming jobs have been eased and accelerated due to rapid technological improvements, making gig work easier. With the abundance of gadgets available, being a worker in the gig economy becomes highly accessible for technically competent persons. Hence, ridesharing and food and grocery delivery applications have become a part of our daily urban lives. According to a study conducted by the Policy Research Institute (PRI), Bangladesh's ridesharing industry is worth Tk.2,200 crore and represents 23% of the transportation sector. Within the next five to seven years, the estimated market value of ridesharing start-ups is likely to reach one billion

dollars.

In recent years, the number of gig workers in e-commerce companies has risen significantly. As reported by the Oxford Internet Institute, Bangladesh is now the second-largest supplier of online labour globally, with a 16 percent share of the global online workforce, following India, which has a 24 percent share of the global online workforce. Bangladesh has been a popular outsourcing location since the inception of worldwide online freelance work. As stated by the ICT Division of Bangladesh Government, there are around 650,000 freelancers in Bangladesh, and Bangladesh is ranked eighth among countries with the highest year-on-year revenue growth in the freelance sector, according to the Payoneer's Global Gig-Economy Index released in 2019.

During the Covid-19 pandemic time, Bangladesh's gig economy is largely dominated by the on-demand sector. App-based start-ups, who developed their online platform even before the Covid-19 pandemic, are the biggest job creators in Bangladesh's on-demand sector. As more and more consumers prefer to use e-commerce platforms during the pandemic, e-commerce companies reported a significant rise in their order volume. As stated in some newspaper reports, Foodpanda (Online shopping and grocery delivery platform) saw a 300 percent year-on-year growth last year, Chaldal's (online grocery shop) order volume increased by more than 150 percent during the Covid-19 pandemic, eFood's (Food delivery platform) online delivery increased by 15-20% and Daraz (Online market place) hired more than 7,000 employees in the last two years.

Online platforms increase competition by allowing more sellers to enter the market. As a result, consumers can search for cheap and desired products easily online by comparing product information of different sellers. A growing online consumer market is a good indicator of Bangladesh's economy. F-Commerce (Facebook Commerce) evolved into a revolution during the Covid-19 pandemic. According to a survey conducted by the Centre for Policy Dialogue (CPD), at present, there are 50,000 Facebook-based entrepreneurs in Bangladesh. With around 43 million Facebook accounts in Bangladesh (Statista, 2021), the platform gives businesses opportunities to contact clients on a far wider and diverse scale. F-commerce has benefitted women entrepreneurs immensely since it has allowed them to balance their personal and professional life, and ensuring a better quality of life for themselves and their families. At present many women entrepreneurs are involved in homemade food delivery services as well as clothing, cosmetics, and jewelry businesses through Facebook.

With the appropriate mix of policies, digital infrastructure, and supporting services, the gig economy has the potential to become a growth engine for the country by producing jobs for many people. Digital platforms are expected to generate around 500,000 jobs in the coming year. Technology adaptation will occur much quicker if people are able to make money by using that technology. Priority should be given to investment in digital capabilities and regulatory reform. Due to country-wide lockdown restrictions, lack of large-scale recruitment, and the popularity of e-commerce and online business, many laid-off workers, job seekers, and fresh graduates have turned to the gig economy. Students are now engaging in gig works and earning a substantial amount of money to help fund their education. Moreover, some individuals preferred part-time work in addition to full-time work for a variety of reasons.

The government is trying to provide necessary policy support and incentives to stimulate the IT sector. The government has recently started issuing freelancer ID cards, which are providing identity to approximately 650,000 self-employed professionals in Bangladesh. In order to encourage the freelancing sector in Bangladesh, Bangladesh Bank instructed banks to

provide necessary loans and credit cards to the IT freelancers. In addition, Bangladesh Bank would offer small loans to F-commerce businesses at 4 percent interest. Moreover, in the national budget of 2020-21, taxes have been exempted from IT freelancing until 2024. All of these initiatives expected to have significant impacts on the gig economy of Bangladesh.

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