

# **Hidden Costs of the Online Platform Economy**

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*Independent Journalist*

Zuha Siddiqui is a journalist based in Pakistan covering climate, technology and human rights. Her reporting has appeared in *Foreign Policy*, *VICE*, *Slate*, *BuzzFeed News*, and other publications. Most recently, Zuha was a [Labor x Tech fellow](#) at [Rest of World](#). Her work covered how technology impacts work and the way we work in South Asia. Read her portfolio of labor reporting [here](#).

Zuha's work has also been supported by fellowships from the [South Asian Journalism Association](#), [One World Media](#) and the [EU Journalism Fund](#). She was a 2020 journalism fellow with [FASPE](#), Fellowships at Auschwitz for the Study of Professional Ethics. And in 2023, she was a finalist for the [Thomson Foundation's Young Journalist Award](#).

Zuha has received training from the [International Center for Journalists](#), the [Dart Center for Journalism and Trauma](#), and the [Center for Excellence in Journalism](#). She is also a member of the [Oxford Climate Journalism Network's](#) third cohort. The Network is a program of the Reuters Institute for the Study of Journalism at the University of Oxford and is designed to help journalists develop their reporting on the climate crisis.

Zuha was adjunct faculty at Habib University from January 2021 till May 2023, where she taught journalism and media studies courses to undergraduate students. She holds a Master's degree in Near Eastern Studies & Journalism from NYU, where she was a [Falak Sufi Scholar](#).

# Definitions

By platform economy, I am referring to workers who offer **location-based** services on mobile-based applications — ranging from food delivery services, to delivery drivers, domestic workers, and beauticians.

I lay emphasis on **location-based** because there is also an ecosystem of platform workers doing remote home-based work for online platforms — such as cloudworkers, data annotators or freelancers on platforms like Upwork and Fiverr.

**Location based platform workers:** working for platforms such as Silicon-valley based Uber and inDrive, as well as global south offshoots — such as Delivery Hero's foodpanda, Gojek and Grab in South East Asia, Glovo in Africa, and Urban Company, Swiggy, Zomato, Pathao and PickMe in South Asia.

Numbers?

1. Platform workers are seldom measured in labor force and household surveys. And usually, in the event that they are, they may be classified together with day laborers, independent contractors, or self-employed workers.
2. Platforms rarely disclose detailed data because this is considered to be commercially sensitive information.

BUT:

There are a couple of surveys that we can use as reference points — such as a survey carried out by Fairwork in 2020 which covered 120 platforms in 23 countries across Europe, North America, South America, Asia and Africa. They estimated that there were about 50 million location-based platform workers at the time.

Fairwork revised these numbers in 2022 to 70 million.

Their partners in Pakistan, the Centre for Labour Research, have estimated that there are at least 1.7 million location-based platform workers here, about 2% of the workforce, and rampant unemployment and inflation has meant that this number is only growing — while working conditions are on the decline.

# A (short) history of the platform economy

2012 — San Francisco taxi drivers began to raise alarm bells at organizing meetings and city hearings about “bandit tech cabs” stealing their fares and their passengers.

“I’ll sit at a hotel line, and I see one of these guys in their own car come up, hailed by some guy’s app, and they’ll turn down my fare,” Dave, who had been driving a taxi for fourteen years, said at a meeting that April. “They steal it. It’s insulting.”

This was **the very nascent stage of a global re-organization of private and public transportation**, fueled by billions of dollars of financing from Silicon valley venture capitalists.

2012 was also the year of a global recession, a period of high unemployment and slow job growth, which platforms like Uber, Lyft and their competitors were able to capitalize on.

“Collaborative consumption”



# Concerns raised over tuk tuk mafia in Galle

February 8, 2023



Concerns have been raised over the tuk tuk mafia operating in Galle.

Tuk tuk taxi operators control several areas in Galle and harass others trying to pick passengers.



## REGIONAL CHAMPIONS

### Vietnam's taxi drivers fight app drivers, wear their uniforms to steal customers

Traditional motorbike-taxi drivers in Grab uniforms claim bus stations and hospitals as their territories, where app-based drivers are not welcome.



## SILICON VALLEY IN REST OF WORLD

### Uber slashes fees in Bangladesh as drivers keep taking rides offline

Bangladeshi drivers simply started bypassing Uber and Pathao apps, and the companies took notice and made changes.

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INDIAREALTIME BLOG

# Uber Launches in Pakistan

By Qasim Nauman

March 3, 2016 at 6:38 am ET



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Resize

Uber Technologies Inc. launched its ride-hailing app in Pakistan on Thursday, as part of the company's \$250 million investment push that also includes expanding into the Middle East and North Africa.

MONEY

# Tech startup Pathao announces services in 17 new towns

According to the company, it has initiated a bike rider registration process in all targeted areas.

Forbes

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Shadine Taufik · 13 Jul 2023 · 1 min read

# Foodpanda to expand in-store grocery pickups to Bangladesh, Pakistan

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# InDrive Secures \$150 Million In Further Financing

Jonathan Keane Contributor

Freelance technology journalist covering the gig economy.

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Mar 14, 2024, 04:00am EDT

# Precarious working conditions

Work that is ‘uncertain, unstable, and insecure and in which employees bear the risks of work (as opposed to businesses or the government) and receive limited social benefits and statutory protections’ (Kalleberg and Vallas, 2018: 1).

The notion of precarious work originates from Bourdieu’s (1963) use of the term ‘précarité’ (precariousness) to contrast workers with permanent jobs to those with casual jobs (Alberti, Bessa, Hardy et al., 2018).

**Income insecurity, irregular and unpredictable working hours, and health and safety** risks only exacerbate precarious working conditions in the platform economy, with workers having to accept risky working conditions in order to continue to earn a living.



“The more I work, the more gigs I get.” – Tran Van Tu, 33, who works for ride-hailing and food delivery platform Be in Hanoi, Vietnam.

In countries like Kenya, legislation prohibits ride-hailing drivers from working more than eight hours in a 24-hour period. So drivers often bounce between apps, sometimes working as many as 19 hours a day, according to Justin Nyaga, chairman of the Organization of Online Drivers in Kenya.

1. Platforms incentivize workers to work long hours and rest less, which takes a toll on their bodies
2. Working on the streets makes workers vulnerable to harassment and robberies, but they don't have social protections and insurance. And in some cases, insurance is "gamified."
3. Platforms distance themselves from accountability by calling themselves "tech companies" and not transport or service providers, and workers are contractual freelancers, which means that they're not responsible for providing safety nets.
4. Most gig workers around the world are relatively young, but there is a growing cohort of older gig workers — who are slipping through cracks.
5. What is the way forward? What does the future of work look like? Is there a way to break Silicon Valley's hegemony over platform work?

No place to rest



LABOR

## Catching a break: How gig workers find rest

Rest of World asked over 100 gig workers across 10 cities how they take a break between tasks.



Tuane Fernandes for Rest of World

By LAM LE and ZUHA SIDDIQUI

19 MARCH 2024 [TRANSLATE](#)

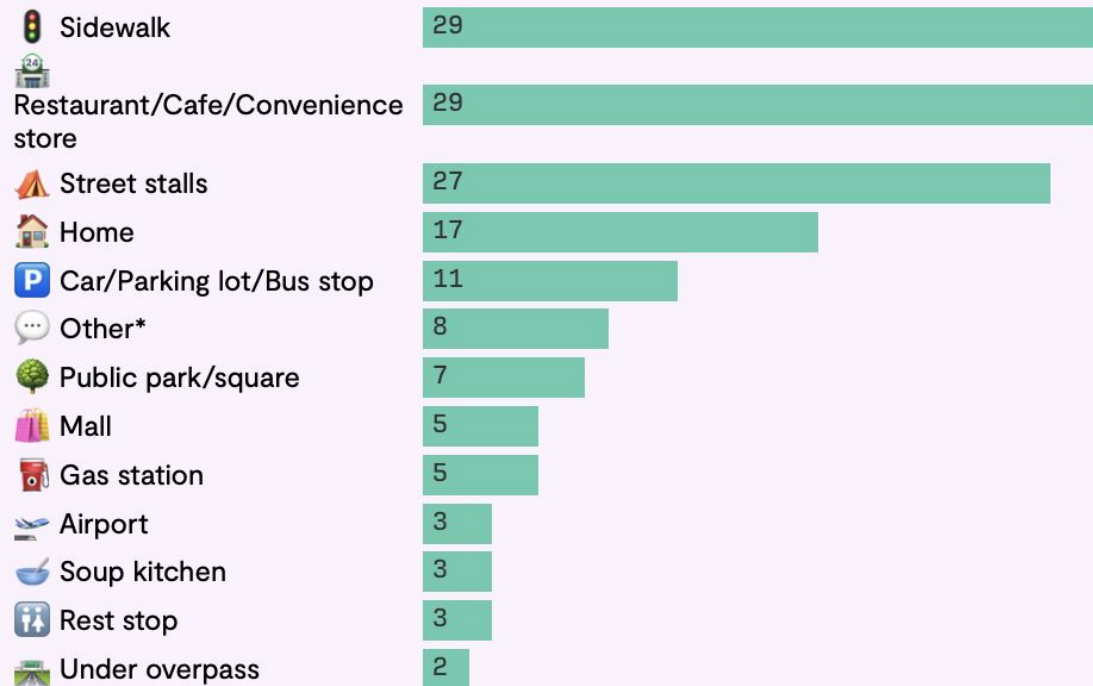
**A third of the workers** said they either don't take breaks at all or just relax a bit between gigs.

**More than half** said they had been denied access to public places like malls and restaurants; some said they were often chased off by the police, homeowners, security personnel, and shopkeepers who perceived them as loiterers.

**Only 18 of the 104 respondents** said they had flexibility and choice in how many breaks they could take, while **35** felt they could not afford to take any more breaks, even if they wished they could.

## Where do gig workers prefer to rest?

While most gig workers take their breaks at stores, cafes, stalls or on the sidewalk, some make their way back home.



\*Other: mosque, library, EV charging station, bookshop, stairwell.

Responses based on a Rest of World survey of 104 gig workers across 10 cities, many of whom rest in multiple spots.

Chart: Munira Mutaher/Ananya Bhattacharya/Rest of World · [Get the data](#) · [Download image](#)

“The restaurant usually provides benches and water, and I take the opportunity to use them,” Wallace Miguel, 22, an iFood and Lalamove delivery worker in São Paulo

Basil Faraz, a 25-year-old Foodpanda rider in Karachi, told me that it’s only between orders that he is able to rest. He spends this time sitting on a cluster of rocks and bricks under a thatch of trees in the city’s upscale Defence Housing Authority neighborhood, where several other delivery workers also rest. Even then, Faraz is constantly staring at his phone, refreshing the food delivery app, and waiting to get the next delivery request.





Of the 104 gig workers we surveyed, 36 said they got six hours or less of sleep on average each day.

Workers in Nairobi told us that in order to maximize the time they spend on the road, they resorted to sleeping in their cars. They also understood the toll the lack of sleep and exhaustion was taking on their bodies, but said that they could not do anything about it.

“Working for 14 hours is very dangerous for both me and the client. I’m a human being, I need more breaks. But we can’t afford to take more breaks because of the amount of money that we earn from our trips.” Julius King’ori, a 45-year-old ride-hailing driver with Uber and Bolt in Nairobi.

Close to half the respondents (49) noted that they had been harassed or attacked while resting in places like malls, restaurants, parking lots, and residential areas. While a dozen respondents said they had been chased away by security guards, 15 said they were robbed while resting.



# Fairwork Pakistan Scores 2023

Minimum standards  
of fair work

**Bykea**

0 /10



**Careem**

0 /10



**Foodpanda**

0 /10



**GharPar**

0 /10



**inDrive**

0 /10



**Uber**

0 /10





# Key Findings



## FAIR PAY

None of the platforms we assessed provided evidence that workers earn above the prescribed minimum wage of PKR 28,253 per month or PKR 136 per hour in 2023. Given the ever-increasing travel expenses and vehicle maintenance costs, there was no evidence that any of the six platforms met the minimum wage threshold after considering necessary expenses. Fairwork Pakistan found no platform guaranteeing a minimum living wage — PKR 42,728 per month or PKR 205 per hour in 2023 for platform workers.



## FAIR CONDITIONS

The six assessed platforms lack proper safety measures, inadequate safety training and limited access to necessary equipment like helmets and jackets, often requiring workers to pay. The platforms' efforts to address lone working risks were limited. Emergency buttons or helplines are provided, but awareness regarding these is limited. Moreover, the workers we spoke to reported mixed experiences and doubts about the effectiveness of emergency buttons and helplines. Crucially, risks to workers' physical and mental health were largely unaddressed, as there were no provisions for rest areas, access to toilets, or food/snacks. There was limited awareness among workers about accidental insurance programs, with instances of denied claims or unpaid payouts.



## FAIR CONTRACT

Platform contracts pose challenges with insufficient notification, inaccessible terms, and inadequate adjustment time for workers, while also hindering redress through liability-absolving clauses and lacking transparency in payment calculations. A prevailing cause of concern is that workers are not adequately notified within a reasonable timeframe about proposed changes to fares, fare calculation methods, rating systems, and other policies that directly impact their daily work on the app.



## FAIR MANAGEMENT

The assessed platforms meet basic requirements by offering accessible communication channels and live chat support for issue resolution, along with an appeals process that encourages workers to address concerns without penalties. What all of them lacked was that the channels for communication and the appeal process were not explicitly documented in the contract or Terms and Conditions, missing the score.



## FAIR REPRESENTATION

Despite the increasing (but still sporadic) occurrence of platform worker organisation throughout the country, more evidence is needed that platforms are willing to acknowledge or engage with a collective body of workers. We could not identify any platform that met the criteria for this principle, indicating a disregard for the importance of organised representation in fostering fair working conditions.

While there have been a few instances of worker's collective action such as Bykea workers demanding the reintroduction of bonuses and Careem workers successfully advocating for lower weight limits for parcels and the ability to remove negative ratings—these cases are limited.

LABOR

# Drive fast and carry a fake wallet: How Pakistan's gig workers stay safe

Ride-hailing drivers aren't fully insured against crime, so they've developed high- and low-tech hacks to protect themselves.



Indranil Mukherjee/AFP/Getty Images

By **ZUHA SIDDIQUI**

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TRANSLATE

Muhammad Umer, an inDrive worker, shares his passengers' drop-off locations and pictures of their identity cards in a WhatsApp group chat with other drivers. "It's not much, but it gives me peace of mind," Umer said. "We keep checking in with each other, and if something happens, God forbid, at least there is a way to track us."

"If someone wants me to pick them up from a dodgy part of town at night, I call them up first, and I ask them to come to the main road where there is traffic, instead of [them] calling me to a deserted alley where I could potentially get mugged or assaulted," Faizan Sheikh, 32, a gig driver in Karachi.

"The cost of living in Pakistan keeps climbing, and we'd rather devise these quick workarounds to have a steady income than take to the streets to protest. We are working for the sake of our lives and have no expectation of help from platforms," Usman Aslam, a gig driver from Rawalpindi.

“I lost eight days of work because the car was stuck at the showroom for the insurance claim. [During] both incidents, the accident as well as the phone snatching, I was on the way to pick up a customer. And in both cases, Careem said you are not insured if you are not with a customer.” Junaid Ali, 35, Careem driver in Karachi

“[The company] said our relationship with you is limited to when we connect you with another customer and you are traveling with a passenger. Once the ride is complete, our relationship with you has ceased.” Ali

Careem’s response:

The company offers “in-ride insurance for its Captains [drivers], as well as its customers, to protect them and their vehicles while performing services on the platform.” Careem also provides “discounted life and family insurance packages for Captains through external partnerships,” and has a dedicated safety team to assist customers and drivers in emergencies.

Tech companies or transport/service providers?

The independent contractor model that underlies today's platform economy **first developed in the taxicab industry in the late 1970s**, as the United States shifted towards a neoliberal conception of society in which almost everything was to be subjected to the forces of competition.

Workers and households were reimagined as entrepreneurial concerns, sole proprietorships that should fend for themselves in the great American marketplace. **Embodying this logic, the taxicab industry was one of the first among US businesses to discard the costs and liabilities associated with direct employment —such as minimum wages, healthcare benefits, disability insurance, among other things.**

Uber and Lyft also found ways to subtly exert control over drivers → they use “psychological inducements” derived from social science and deployed remotely through algorithms to influence when, where, and how long their drivers work. Instead of directly employing the millions of drivers whose work produces the company's primary value, Uber hired hundreds of social and data scientists to shape driver behavior, tricking drivers into working at undesirable hours and locations.

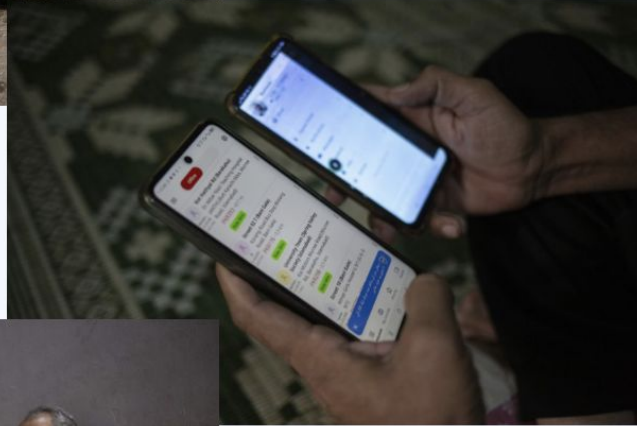
ILO →

The average age for delivery workers is 29

And the average age for ride-hailing drivers is 36







“Sometimes I wake up in the middle of the night and my hands feel numb,” Kamran Sabir, 67, Careem driver in Islamabad.

“I don’t really have a choice, I have to support my family of six,” Saeedullah Khan, 62, Careem and inDrive driver in Karachi.

What is the way forward?

## InDrive wanted to make ride-hailing fairer. Drivers say it has made them poorer

The company overtook Careem to dominate ride-hailing in Pakistan, but drivers say they're underpaid and overworked.



Asad Zaidi/Bloomberg/Getty Images

By [ZUHA SIDDIQUI](#)

17 OCTOBER 2023 • KARACHI, PAKISTAN [TRANSLATE](#)

- InDrive's bid-based model promises to empower passengers and drivers by allowing them to negotiate fares.
- Gig drivers in Pakistan say the app has made their work hypercompetitive as they have to accept the lowest fares.
- Experts say InDrive empowers customers but gives drivers only "a false sense of power."

## Pakistan's oldest ride-hailing platform lags behind

Careem, the platform that brought ride hailing to Pakistan in 2015, has under 380,000 daily active users in the country. Its rival, inDrive, is far ahead, with over 2 million users per day.

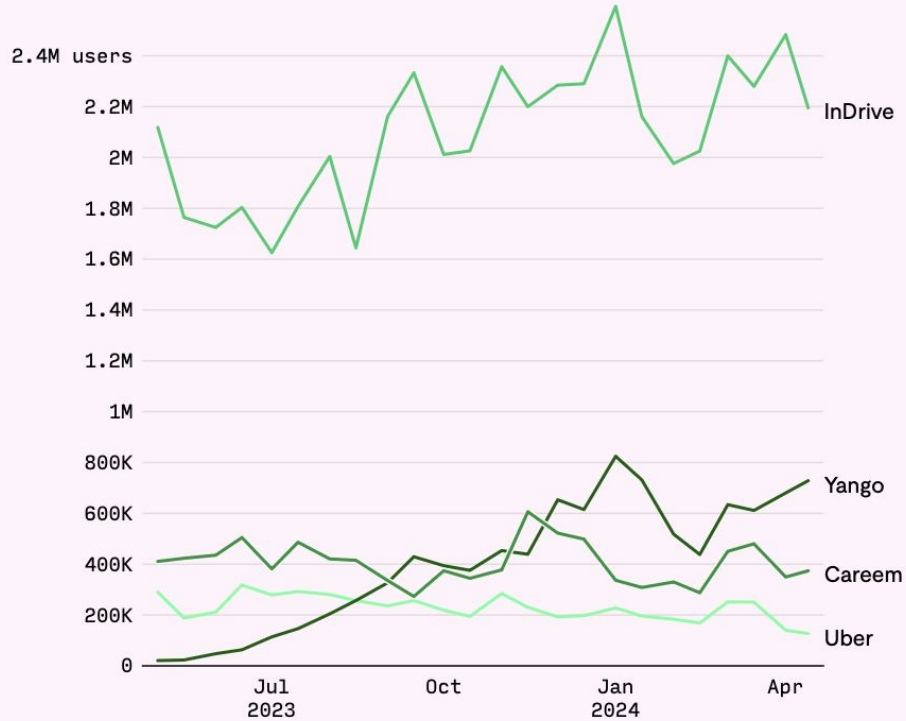
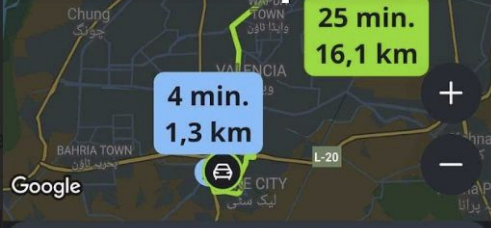


Chart: Rest of World · Source: [Data.ai](#) · [Download image](#)

# Ride request



- A** Raiwind Rd (Fazaia Housing Society, Block K)  
Noor 4.9 (39) Just now
- B** Plot 117 (Johar Town, Phase 2, Block R 3)  
PKR200 Ride Mini

Accept for PKR200

Offer your fare

- PKR220
- PKR240

Skip

# Ride request



- A** Jinnah International Airport, Arrivals  
Naqvi 4.8 (0) 43 sec.
- B** Rofi Merryland Society (Gulistan-e-Jauhar-Malir Cantt Road, Block 8 Pak Ideal Chs, Karachi)  
PKR135

Accept for PKR135

Offer your fare

- PKR149
- PKR162
- PKR >

Close

# Ride request



- A** Plot 222 (Johar Town, Phase 1, Block F 2)  
Shabaz S... 4.7 (164) Just now
- B** Fire safety equipments, Road safety equipments, Rescue equipments (Nishter Road, Ram Gali Naulakha, Lahore)  
PKR150

Accept for PKR150

Offer your fare

- PKR170
- PKR180
- PKR >

Close

“Because it’s cheaper, [inDrive] customers think we are their slaves,” Nehal Ahmed, an inDrive worker from Karachi.

“[inDrive has] no helpline, only a chatbot that seems to be operated by a robot that copy-pastes messages. They also have an email, support@indrive.com, but no one ever responds to that.” Zohaib Zafar, inDrive worker from Karachi.

“The replies [to email complaints] are always the same. We are forwarding your complaint to the concerned department then boom, no response no changes nothing at all. They forward our complaints to the concerned department. And the department's name is "Trash.”” Siraj Hameed, inDrive worker from Islamabad.



## This cab startup helped 100,000 drivers survive Sri Lanka's economic crisis

Sri Lanka's economy had been in free fall, so PickMe set out to help local communities and provide dignified work. It paid off.



Photography by Tashiya de Mel for Rest of World

By [ZUHA SIDDIQUI](#) and [ZINARA RATHNAYAKE](#)

6 MARCH 2024 • GALLE, SRI LANKA [TRANSLATE](#)

- The ride-hailing and food delivery company gained popularity during the pandemic by facilitating the delivery of essential goods, and transport for front-line workers.
- PickMe has consistently added jobs over the past five years, including 20,000 drivers to its fleet just in 2023.
- The company is facing pushback from non-platform tuk-tuk drivers, prompting some gig workers to want to quit.



“I joined PickMe for an additional income because this is a 24-hour app. I can use it whenever I have free time. It’s also good for both sides – customers and drivers. Like how customers complain, if I also face some problem, I can complain to PickMe.” Rohan Raj, part-time plumber and electrician from Jaffna.

