

THE CHALLENGES AND PROSPECTS OF FREELANCING IN PAKISTAN



By

Sehrish Irfan
PIDE2020FMPHILPP09
Supervisor
Dr Hassan Rasool

MPhil Public Policy
PIDE School of Social Sciences
Pakistan Institutes of Development Economics
Islamabad
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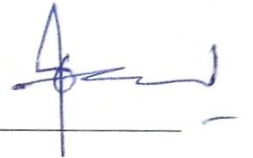


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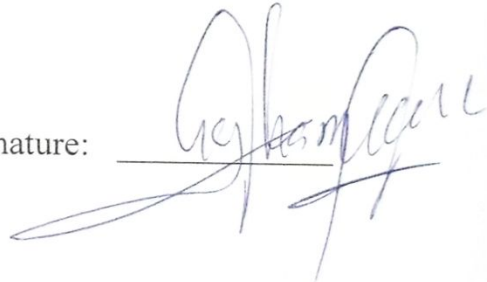
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Supervisor: Dr. Hasan Rasool

Signature: 

External Examiner: Dr. Malik Asghar Naeem

Signature: 

Head,
PIDE School of Social Sciences: Dr. Hafsa Hina

Signature: 

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Dedication

To my parents, for everything they do for me, and to me, as I worked day and night to complete this document, just to express my appreciation for my resilience.

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Abstract

With the evolution of technology, the modality of work has changed and it refers as the gig economy or telework. The focus of the current study is online web-based workers or can be called freelancers. In Pakistan, the freelancing industry is booming because most people are using it as a supplement source of income in the wake of inflation. Some of them are working as full-time workers. Of these most are females due to flexible working hour option. It is a good source of income for the country in the form of remittances. The data has been collected by using google forms and semi-structured interviews. The three units of data collection have been incorporated i.e., freelancers, Pakistan Freelancer Association and Institute of Emerging Careers. The survey was shared with 400 freelancers and out of which 117 have filled it and interviews have been conducted with 8 stakeholders including freelancers, experts, startup owners and people who outsource the work in the local market. Descriptive statistics have been employed to analyse the results. This study on freelancers highlights some top challenges such as blockage and an unstable internet connection, payment issues, electricity supply, taxes reduction, lack of communication skills and competition. On the other hand, the scope of the freelancing industry is great such as it employs females and unemployed people. Moreover, freelancing helps them combat adverse inflation impacts and evokes the spirit of freelancing in freelancers. It allows them to work for international clients and learn from them. To analyse the interview thematic analysis has been used and findings have been divided into five main themes and fifteen sub-themes. The first theme reflects the freelance value proposition and it includes work-life balance value, socio-economic value, autonomy value, developmental value and hedonic value. Freelancer Job Stress discusses the factors responsible for increasing anxiety and it consists of issues related to payment, client colonisation, work unavailability etc. Moreover, few freelancers argued that it cannot be the permanent solution to unemployment because it is a risky job. Hence, they shared that to protect themselves from sudden unemployment freelancers invest their income in different businesses such as real estate and e-commerce startups. Few freelancers reported that online work is a digital brain drain and some negated it because they believe that they are contributing to Pakistan's economy as they have their startups. The freelancing industry's potential can be increased if government provide tax reduction, build more National incubation centre and co-working space, resolve internet connectivity issues, energy security, and payment transfer issues and incorporates communication skills courses in training modules

Keywords: *Freelancers, Gig economy, Internet Connection, Energy Security, Payment, Banks, Unemployment, Digital Brain Drain*

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Chapter 1

Introduction

Technology has evolved the work and labour market. The gig economy is also called sharing economy and gives rise to digital workplaces or digital labour. The design of traditional work is split into smaller tasks which are called the gig – that is mediated through digital platforms. These online sites play crucial roles in imparting significant economic value globally by improving workers' efficiency and access to services and providing diversified skill sets.

The financial crisis of 2008 has led workers of low-income strata to find alternative ways of earning income. On the other hand, the organisations found it cost-effective to hire a part-time worker. The growth in the gig economy is due to the development of technology and innovation in the last few decades and dwellers of developing countries are availing that chance and getting a job from anywhere in the world. These online platforms support businesses to grow rapidly because it eases the process of hiring the perfect fit and facilitates them to fulfil the demand. The survey conducted by OECD on SMEs has highlighted that hiring workers via the online platform will be less expensive, increase work efficiency, and reduces the challenges to find talent locally(OECD,2021).

As per the Finance Online report, there are 3.5 billion workforces globally, of these 1.1 billion are freelancers (35%). The global share of freelancers is broken down into various categories such as 40% are referred to as independent contractors, 27% as moonlighters, 18% as diversified workers, 10% as temporary workers, and 5% as freelancers' business owners. Globally, one in three workers is working online (Payoneer, 2020). Most online platform workers are between the age group of 25-34 years i.e., 48%. In European countries, 35.5% of the workers are selecting freelancing as a profession whereas, 28% are in Asian countries. North American, European, and Latin American countries are the main territories for outsourcing freelancing work (Payoneer, 2020). Approximately 65% of freelancers are male and 35% are females (DDIY, 2020). The survey depicts that only 40% of freelancers are working less than a week because they prefer traditional jobs more (Warner, 2023). Several online websites are used by clients and freelancing to offer work and services. The top three freelancing platforms in terms of users are Freealncer.com, Upwork, and Fiverr and the

registered number of users are 31 million, 17 million, and 7 million, respectively (DDIY, 2020).

Online Labour Observatory estimated that 14 million freelancers have found work via several platforms and only 3.3 million (only 2% of registered 193 million workers) of them can complete 10 projects (or earn over \$1,000). McKinsey anticipated that around 540 million people will seek jobs through various online platforms by 2025 (Woodcock, 2019). Gig economy work is a broader term and it includes contingent, temporary, part-time, contract, and freelancer work (Spreitzer et al., 2017).

The digitisation of work has increased non-standard work, which is mediated via online platforms with the temporary working relationship. Gig workers are getting jobs on a demand basis and they did not have access to fundamental employment rights such as minimum wages, pension schemes, health insurance, and gratuity. The status of gig workers as an employee is still debatable though a few countries like California and Belgium have classified them as employees and granted them basic employment rights (Hisam, 2021). As per gig workers, the provision of minimum wages and transparent rules about overtime work will improve the working environment. On the other hand, the concept of work alienation is responsible for reducing job satisfaction, well-being, job involvement, and related emotional exhaustion (Shantz et al., 2014). Alienation is defined as detachment from the working environment and work (Hirschfeld & Feild, 2000).

In gig work, all the processes from hiring to completion of the task have been held online and it eliminates the need for the employer to understand the workers personally. The gig workers see one another as rivals due to the increase in the supply of workers and competition reducing the chance of getting a project. The platform work may protect workers from bad leaders contrary, they may fail to get benefits from good leaders. It was found that asymmetry information and a lack of explicit information about the task often lead to non-standard work.

Gig work is generally an uncertain kind of work where people cannot predict the flow of work and daily income which spread a sense of job insecurity as it is difficult for them to make financial plans. As per American Psychological Association (2018) survey, 37% of the people responded job insecurity is one of the key determinants that increases work stress. Therefore,

job insecurity reduces the well-being of the employees.

However, in Pakistan, the freelancing industry is flourishing since the last decade. Due to technology adoption, IT also becomes a fast-growing industry. It is mainly due to the increased export of IT remittance which is composed of telecommunication, computers, and information technology services. As per official data of the Ministry of IT and Telecommunication (MoITT), the remittance inflow was \$396.243 in 2020-21 and it stood at \$397.328 million in the current year. This showed a slight growth of around 2.74% year-on-year basis. The export remittance in the case of IT services declined to \$265 million in 2022 relative to \$363 million in 2021 IT remittances have surged during the last six months of the fiscal year (FY) 2022-23. It was reported that Pakistan received remittances in FY 2022-23 i.e., US\$ 1.33 billion (GoP, 2023). IT services consist of logo design, graphic design, web development, mobile app development, and Java developers, and the non-IT services roam around virtual assistantship, content writing, translation, sales, account, marketing, and customer services. In the global online market, Pakistan's share is 12% and income-related statistics are not clear (Roy & Shrivatava, 2021).

In Pakistan, more than 3 million people are working online. The number is increasing due to its time flexibility and work autonomy feature. (Hanif, 2022). The average hourly rate of workers is low compared to other regions of the world but are highly skilled and proficient in their fields so European countries give more preference to Pakistani freelancers. To magnify the output of the IT sector, the governments have introduced various training programs (Codementor, 2017). The programs initiated by the Punjab Information Technology Board (PITB) are PlanX, e-Rozgar, Herself, and Plan9.

As per the Freelancer Income Report 2020, the majority of a citizen under the age of 35 are choosing to work as freelancers as compared to the global average percentage. They are preferring web and graphic design. Despite of existence of co-working spaces, freelancers in Pakistan are more convenient to work from home. The report has collected data from 150 countries and it identified that female participation in freelancing was leaps and bounds ahead of the males and their earning is also more than that of males (Payoneer, 2020)..

The average working hours of freelancers in Pakistan are 34 hours per week as compared to

the world it was 36 hours per week. Due to the option of flexible working hours' females are participating more as compared to males (Nawaz et al., 2020). The task completed by Pakistani freelancers is equivalent to workers belonging to developed countries. Freelancing is an emerging field in Pakistan because of cheap labour and foreign companies are opening their branches in Pakistan and the ratio of freelancers is more as compared to the rest of the world (Payoneer, 2015). The online platform workers in Pakistan are getting more salaries relative to other countries in the world as per the State of Global Hiring Report 2021. The salaries jacked up for online workers who are living in Mexico (57%), subsequently, in Canada (38%), Pakistan (27%), etc (Deel, 2022). After the pandemic (due to the massive layoff), freelancers are facing enormous challenges to get continuous work because of high competition.

Though the freelancing industry is booming persistently. But the country could not quench the full benefit, because it is facing various challenges such as it is difficult for freelancers to transfer money due to the unavailability of proper money transfer channels. PayPal is reluctant to enter Pakistan due to the strict regulatory framework. The State Bank of Pakistan (SBP) is mandating that Electronic Money Institutions hold at least PKR 200 million as initial/start-up capital to operate in Pakistan. It is misperceived that PayPal's reluctance to join hands with Pakistan is because of FATF, money laundering, and the exchange control regime. Rather, its major concerns are overly regulated EMI, poor e-knowledge base government and market, and an unfriendly business environment (Jalil, 2022).

The insufficiency of infrastructure is increasing the gap to achieving a thriving industry. One of the main sources of boosting the freelancing industry is having high-speed internet with the minimum digital divide. The term digital divide does not only refer to the non-availability of the internet, however; it includes accessibility of technology that is different across the region. The unequal distribution of the Internet is augmenting disparities in terms of technology, education, labour, job opportunities, etc. (Hussein, 2022). On the contrary, Pakistan is still standing at the bottom quantile of the Inclusive Internet Index. The reasons behind the lower position are the difficulty in the accessibility of the internet and devices. According to PSLM 2018-19 data, device ownership including computers, laptops, or tablets is as low as 14% (household), of this 27 % of households belong to an urban area and 7% from rural areas. Overall, internet accessibility is 14%, indicating to materialise universal access to the internet

in Pakistan (Shair et al., 2022). As per Pakistan Telecommunication Authority (PTA), there are 123 million homes/offices and 120 million 3G/4G broadband subscribers. Many modernised cities of Pakistan have 2G/3G internet connectivity, limiting inhabitants from actively participating in internet-enabled activities. To reduce digital disparities, the government has initiated Prime Minister Laptop Schemes. Since the conclusion of these programs and a continuous increase in inflation and rupee devaluation, it becomes difficult for lower-income strata to participate in freelancing. To overcome this challenge government has introduced Kistpay, Qistbazaar, and other schemes which allow people to buy now and pay later in easy instalments (Iqbal, 2023).

Having a good digital infrastructure as well as a sufficient supply of electricity is essential for freelancers. Pakistan is facing a severe energy crisis because of high fuel prices and mounting circular debt. The country faces an 8 to 10 hours power supply cut in summer every year. Due to power outages, freelancers are unable to bid for a project and decrease the chance of submitting work on time, leading to a bad rating by the clients (Faiaz, 2022). Nonetheless, taxation will also impact the freelancing earning (Gulrez, 2022). In 2022, the government imposed a tax on freelancers to vertically expand the tax but this decision was reversed. However, the tax policy is not conducive to self-employed or small start-up businesses. Because they have to pay 35% tax for income above Rs 6 million (Farid, 2022). It will be beneficial for the start-ups to increase withholding and capital gain tax exemption from 3 to 5 years. The freelancing industry of Pakistan has potential to provide employment to young people and government has to take proactive steps to remove the loop holes in it.

1.1. Research Problem

Over the last two decades, new forms of work have evolved in the form of online freelancing where sellers and buyers use the interface of the digital platform to get their work done (Galpaya & Senanayake, 2018). By using the internet and platform service, now work can be done from anywhere in the world for an agreed fee/rate. With the inception of the platforms, people who are unemployed and underemployed can find employment. Pakistan has high youth bulges as 64% of the population is under 30 years of age¹. The unemployment rate was about 5.8% in 2019 to 6.3% in 2022 among young people due to a lack of opportunity (GoP, 2022). Nonetheless, NEET (not

¹ [tps://hdr.undp.org/content/unleashing-potential-young-](https://hdr.undp.org/content/unleashing-potential-young-)

in education, employment, or training) rate is 30% among the youth of Pakistan. These unemployed young people can be engaged in freelancing and help in building nation as this sector has potential to create employment and uplift the socio-economic conditions of the country and individuals. On the other hand, it has barriers also such as poor digital infrastructure; high taxes and the unavailability of PayPal which are reducing the chances of getting full benefits from this industry (Sohail & Naz, 2022). Moreover, According to the Cloud Work Rating Report 2023, Pakistani freelancers are facing difficulty in finding work in the international market due to high competition (Fairwork, 2023). The purpose of the study is to dig deep and analyse the reasons/challenges that are undermining the freelancers output in international market.

1.2. Significance of the Study

Pakistan has one of the biggest youth bulges in the world. Approximately, 64% of the people are below the age of 30 years and it shows that the country has immense potential for freelancing². Additionally, IT exports are increasing relentlessly over the years and have the aptitude to support the crippling economy of Pakistan. The growth of IT export is mainly because of freelancing services that are outsourced from the country and getting remittances in return.

However, to take full benefit from the freelancing industry the study has provided deep insights into the freelancing industry i.e., related to risks, and future trends. It will help industry leaders, policymakers, and freelancers to make informed decisions. Secondly, it will help to reevaluate policies and regulations related to tax and employment conditions so that freelancers can enjoy the same benefit as traditional employees. Thirdly, this study has evaluated the challenges and opportunities that affect the freelancer's growth such as job insecurity, income volatility, hidden cost, internet access, etc. Fourthly, it will support Ministry and affiliated institutes to improve the training structure per future trends.

1.3. Objectives

→ To explore the challenges freelancers are facing.

² <https://hdr.undp.org/content/unleashing-potential-young-pakistan#:~:text=Currently%2C%2064%20percent%20of%20the,increase%20until%20at%20least%202050>.

→ To identify prospects of freelancing in Pakistan

1.4. Research questions

- What are the challenges faced by freelancers in Pakistan?
- What is the profile and demographic of freelancers?
- What could be the factors that will make an ecosystem that nurtures freelancers?

1.5. Explanation of Key Terms/Concept

Worker

On theoretical grounds, the West Pakistan Industrial and Commercial Employment Ordinance 1968 has defined a workman as “any person employed in any industrial or commercial establishment to do any skilled or unskilled, manual or clerical work for hire or reward”.

Whereas, on an operational basis ILO definition of worker will be used which includes” both employee and self-employed (or independent contractor)”. In literature, workers on digital platforms are called “gig workers”, “crowd workers” or “platform workers”.

Digital Platforms

The ILO definition will be followed which defined as “online entities providing digital services and products. These digital services facilitate” interaction between two or more distinct but interdependent sets of users (whether firms or individuals) who interact through the services via the internet” (OECD 2019)

Online Platform Work

The European Union has defined it as a subset of diverse forms of work that includes the provision of digital services (e.g., design, software development, translation) at a request of the recipient of the service via a digital labour platform that can be performed anywhere in the world” (Reshaping work,2022).

National Freelancing Facilitation Policy 2021

The National Freelancing Facilitation Policy 2021 has been drafted by the Ministry of Technology and Telecommunication (MOITT). The purpose of drafting the policy is to

increase active freelancers to one million and average earnings to \$ 5,000. Its aim is to increase the wealth creation of the freelancer and increase in foreign exchange of the country. It has introduced various incentives for the freelancers which are income tax holidays on export income/ revenue/receipt, access to PSEB programs for freelancers such as free and subsidised training, low-cost office spaces at Software Technology Parks (STPs) across Pakistan, certifications, access to the foreign market. Moreover, SECP has initiated a 20% discount fee for the registration freelancer as a single member company in PSEB.

Pakistan Software Export Board (PSEB)

The PSEB was established in 1995 and its primary aim is to make software policy to facilitate the development of the software industry of Pakistan. Previously, PSEB were only registering call centre companies but now registration of freelancer has started on 15 September 2021. It made it mandatory for the FBR to provide tax credits to freelancers who are registered with PSEB. To get a tax exemption certificate they can apply online via the FBR website and avail 100% tax credit.

Pakistan Freelancer Association (PAFLA)

PAFLA is an organization that supports independent workers and was founded in 2020. The objective of PAFLA is to advocate the interest of freelancers, create community, provide benefits and build resources. It provides mentorship to the freelancers to improve their skills. Moreover, PFLA also arranges conference, seminar and events where freelancers meet experienced people to gain knowledge about existing and future trends.

Chapter 2

Review of Literature

This chapter explains the review of available literature on the gig economy. It discusses the background of the gig economy and workers and it helps to understand the emergence of the freelancer and how it evolves from word of mouth to a digital medium. Three main online platforms have been discussed to understand the framework of freelancers' work. To address the objectives and find out the research gap, challenges and opportunities that freelancers are confronting around the world have been reviewed.

2.1. Background of Gig Work and Freelancer

The word freelancer existed before the invention of the internet. It was first discussed in Thomas N. Brown's *The Life and Time of Hugh Miller* in 1809 and afterwards in Sir Walter Scott in *Ivanhoe* (1820). Both mentioned that the term freelancing was initially called a hire lance during medieval times, it defines as a mercenary soldier who fights for the highest bidder (Laurinavicius, 2021). During the medieval era, these soldiers were also known as lansquenet, condottiere, and stipendiaries.

The word free-lancer is a blend of two different languages. The word 'free' origin from the German language which means "to love" and 'Lance' from the French language which means "to throw, to hurl and to discharge". Various interpretations can be used to discuss this word few describe it with the concept of freedom and few with the notion of happiness. The word transformed over time, in early 1800 it started with two words 'free lancer' then in 1920 hyphenated 'free-lancer' and lastly it was integrated and used as the single word 'freelancer' (Medium, 2019).

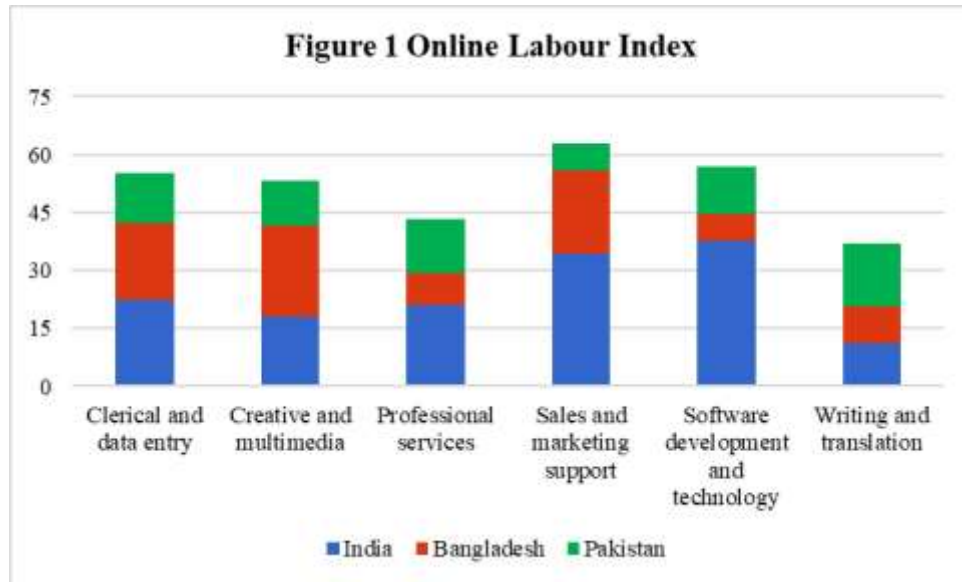
With time, the term outstrips to various forms and is frequent usage in business to hire a person with much-needed skills by an employer who is willing to pay for the skills. As the internet and information technology evolve it allows freelancing to grow and allows independent professionals to develop and publish their profiles online. The employers who were seeking the worker would get an efficient and relevant person.

Freelancers are not bound by time, location, or constraints by cold calling, or print advertisement, and people can find work beyond the boundaries of the country. The Harvard

Business Review in 1998 has published an article titled “The Dawn of the E-Lance Economy” which explicitly predicted that the ways of doing work would be changed due to the invention of the internet. This phenomenon is called as gig economy in contemporary literature which means work carried out on online platforms and it differs from traditional work. As per the literature, there are three main characteristics of gig work refer as the form of small or micro tasks, self-employment, and work performed via digital platforms. The gig economy has instigated a new era of work and workers abandoning the traditional 9 to 5 pm job in favour of a new kind of work which freed them to work independently and flexibly whenever they wanted to and with different employers (Martha, 2016). The contriving of freelancing has changed the dynamics of the labour market. Some examples are Truelance, Guru.com, and Elance.com (Now Upwork). These platforms have altered the term of employment between employer and client and the mode of communication. Earlier, employees and employers had to meet in person but now freelancers and employers are meeting by phone or online for assigning and completing work or projects.

Freelancers are offering distinct kinds of skill sets and people can work from anywhere around the world while sitting at home. This gives a wide array of benefits to the freelancers of Pakistan where client across the globe hire workers at low rates for completing their task as compare to the other countries. Another form of online outsourcing that requires basic and simple skills and literacy is called microwork. When micro work is assigned to people belong vulnerable and disadvantaged countries called impact sourcing (Meyers et al., 2017).

The gig economy data was published by Online Labour Index (OLI) under the iLabour project of Oxford University for the first time between May and September 2016. It calculates the online demand and supply of freelancers worldwide based on seven different categories by tracking the availability of several projects and tasks. It is collecting data from the four biggest online freelancer platforms as these sites cover 40% of global freelancers (Stephany, Kassi & Lehdonvirta, 2021).



Due to the popularity of online work, the demand and supply of gig work have become heterogeneous and dispersed around the world. Demand mostly comes from developed countries such as the USA, the UK and Australia and low-income countries fulfil this demand. In the United States, 75% of the clients prefer to work with local freelancers conversely, 90% of the developing countries' freelancers are getting gigs from the overseas client (Roy & Shrivatava, 2021).

Table 1: Comparison of India and Bangladesh with Pakistan across Online Labour Index Categories

| Occupation Category | Pakistan (%) | Bangladesh (%) | India (%) |
|-------------------------------------|--------------|----------------|-----------|
| Clerical and data entry | 13.1 | 20.1 | 22.2 |
| Creative and multimedia | 11.6 | 23.5 | 18 |
| Professional Services | 13.8 | 8.6 | 20.9 |
| Sales and Marketing | 7 | 21.7 | 34.5 |
| Software Development and Technology | 37.6 | 12.4 | 6.2 |
| Writing and Translation | 16.2 | 9.9 | 11 |
| Total | 12 | 14.6 | 26.9 |

Source: Online Labour Index 2020

The Online Labour Index showed that India, Bangladesh and Pakistan are the top three suppliers of gig workers. It has formulated seven categories, Pakistan shares in online service 16.2% in

writing and translation, 13.8% in professional services, 13.1% in clerical and data entry, 37.6% in software development and 7% in sales and marketing support. On other hand, Bangladesh is performing well in creative and multimedia i.e., 23.5% and Indian freelancers have comparative advantage in sale and marketing i.e., 34.5% (Roy & Shrivatava, 2021).

2.2. Online Platforms

2.2.1. The Up Work Platform

Up work was relaunched in 2015 and it was coming into being through the merger of two platforms namely E-lance and Odesk. As per the platform, it has around 18 million registered workers and 145.4 thousand active clients and spending at least \$5,000 per year It is one of the largest platforms in terms of employment generation and revenue generation (World Economic Forum, 2016). It provides workers flexibility and autonomy. It allows the client to post a range of knowledge-based projects which consist of different categories such as digital marketing, web design, strategic business consulting work, intellectual property law, etc. The worker and client have to create an account on the website. The task completion on Upwork requires a high level of expertise. As Kalleberg and Dunn (2016) stated that cloud workers on Up work enjoy more flexibility, and autonomy in contrast to other micro-task platforms as it allows workers to create a profile, accept or reject a project, wage negotiation, rate clients, dispute pay and work (Jarrahi & Sutherland, 2019). There are four main cash withdrawal options Direct to Bank, Direct to US Bank, Paypal Payoneer, and Wire Transfer

2.2.2. The Fiverr Platform

Fiver was launched in 2010 and it is considered one of the largest freelancing platforms. It was founded by two businessmen Shai Wininger and Micha Kaufman. As gigs start from \$5 that's why it is named a fiver. It has 3 million active freelancers and their service charges range lie between \$5 to \$500 have 3 million employers (Iftikhar, 2017). This platform is providing micro tasks and all the tasks can be carried out online. In 2015, fiver offered three million micro tasks in 11 distinct categories for instance translation, design, and online marketing. Figure 1 describes the overview of the Fiverr Platform and showed the existence of the number of skills, gigs, the average number of reviews, scores, etc (Huang et al., 2019).

Table 2: Overview of the Fiverr Platform in 2019

| | |
|------------------------------------|---------|
| Domain | 9 |
| Skills | 104 |
| Gigs | 548475 |
| Average number of Review Per Gig | 15.86 |
| Average star rating Score of a Gig | 4.78 |
| Worker | 259,135 |
| Accessible Worker | 248,541 |

Source: (Huang et al., 2019)

The freelancer first has to fill out the profile to get work which includes the following formation i.e., image, name of the country, languages, etc. Once a freelancer completes their file he/she can apply for the work. But the nature of the task must revolve around the already predefined categories. The platform allows the worker to customise their gig by adding titles and descriptive texts (Hannak et al., 2017). The client can easily hire freelancers by using free-text searches within the categories defined by Fiverr. After the searches, a window would be opened which comprised a ranked list of tasks that matches their query. To get more refined and specific results, the client can add more filters to it. By clicking on the link it takes the clients to the workers' profile page. They offer work to the online platform worker and they have to submit it through Fiverr. The employers are allowed to give reviews and ratings to the worker on a scale of 0 (lowest) to 5 (highest) stars after the work submission.

Based on the worker's performance, the quality of work, and reputation, Fiverr marks platform-wide levels to each freelancer (such as New, Level 1, Level 2, and top-rated worker), and highest rated worker get more benefit in the form of high-price and gigs. There are four main cash withdrawal options for freelancers such as US Bank Account, Paypal, Payoneer, and Wire Transfer.

In case of dispute related to payment, rating, theft, etc. Fiverr has a responsive customer support system as they give feedback on tickets within 24 hours. All the payments are safe and secure and the client can claim for refund in case of late submission of work.

2.2.3. Freelancer.com Platform

Freelancer.com is based in Australia and it has around 25 million users in the whole world. In

2017, customers posted 12 million projects in over 1,000 different projects such as content writing, designing, website development, social media management, marketing, etc. As per the report ‘Freelancer Fast 50’, the customer posted 482,525 jobs of data analysis in 2017. After that more business owners were looking for skills related to design namely, 3D Design, Creative Design, In Design, and HTML5 (Iftikhar, 2017).

In 2022, customers have shared 296,000 jobs. The fastest-growing skills are Android App Development (80.6%), AJAX Programming (66.5%), API Software (59.5%), and Blog Writing (55.2%) (Freelancer.com,2022). There are four main cash withdrawal options i.e., Express Withdrawal, Wire Transfer, Pay Pal, Skrill, and Freelancer Debit Cards.

Table 3: Comparison of Online Platforms

| Aspect | Up work ³ | Fiverr ⁴ | Freelancer.com ⁵ |
|--------------------|--|---|---|
| Platform Focus | Provide wide range of professional services and skills | Gig-based services and provide digital and creative tasks | Broad range of projects including professional jobs |
| Service Type | Gigs and professional services | Micro task, digital services and creative task | Diverse range of services including professional work |
| Project Size | Small, medium and long term projects | Small and medium projects | Small and medium projects |
| Work Structure | Company projects and hourly rate options | Project base work | Projects and contest |
| Service Categories | Wide array of industries and skills | Business, tech, creative writing and design | Various categories professional and casual |
| Job Acquiring | Bid on various projects based on skills and proposals | Buy and search gigs that freelancers have posted | Bid on projects, contests and directly hire the freelancers |
| Pricing Model | Hourly rate and Fixed Price Contract | Hourly rate and Fixed Price Contract | Hourly rate and Fixed Price Contract |
| Payment Process | Escrow System, invoices, secure payments | Payment upfront, fund held on Fiverr account | Escrow, secure payments |
| Fees | Services fee and processing fees | Services fee and processing fees | Service fees and membership options |
| Quality Control | Based on client reviews and feedback | Review and rating system | Reviews, rating and dispute resolution |

³ <https://www.upwork.com/>

⁴ https://www.fiverr.com/?source=top_nav

⁵ <https://www.freelancer.com/>

2.3. Challenges

Several studies have been conducted to analyse the challenges freelancers are facing. Petriglieri et al. (2018) have found that due to the lack of protection and support from employers, gig workers have been facing several kinds of risks namely personal, social, and environmental. Since workers who are working on online platforms are called self-employed and they are responsible for their health insurance, skill, and career development, which are traditionally handled by the employer (Ashford et al., 2018). Additionally, one of the biggest challenges gig workers are facing is a lack of clarity about career paths. This kind of clarity is available for the employees working in an organisation.

The increase in inflation and economic crises in the country increases the vulnerability of the worker (Friedman, 2014). The precarity and financial instability pose severe job insecurity for gig workers. Moreover, these workers describe themselves as living near economic risk because of unpredictable workflow, which leads to volatile income and inability to meet their ends (Petriglieri et al., 2019).

The fairness in the gig economy is low as compare to traditional working environment. It includes hidden cost because the worker has to bear the cost of equipment by themselves and often, these types of equipment are expensive. Additionally, time spent on registration, profile making, and searching for jobs is a mandatory but unpaid task.

Gig work is 'Transience', meaning the website provides work for a short period. Since the work is performed online, it results in emotional tension and isolation. Gig workers meet their employers online which reduces the chance of getting mentorship which is a prerequisite for skill and career development.

Gig workers need different types of skills, responses, and strategies to survive and become successful in new forms of work. To overcome the challenges and tensions, studies have highlighted the concept of a 'holding environment' which will help them to develop a social, physical, and psychological space for their work (Petriglieri et al., 2019). They elevate four types of connections i.e., routines, place, purpose, and people, which support them to endure their work's emotional ups and downs and gain energy. Ashford et al. (2019) have found that proactive and reactive behaviours can help freelancers to seize the opportunity available on

online platforms by developing resilience (adapting effectively to disturbance) and proactivity (acting in advance to create desirable outcomes). Moreover, cognitive capabilities would help to be adaptable in the gig economy ecosystem. Freelancers are considered their own bosses thus, they have to arrange and manage things themselves such as registering on different online platforms, self-branding, and at the same time searching for different jobs online. Additionally, language is proven to be a challenge for freelancers as it becomes difficult for them to communicate with the client easily.

In most of countries, the legal basis is weak to protect gig workers. There is a lack of policy framework that is required to provide quality projects, access to benefits, and worker protection as provided in traditional jobs. As the emergence of online jobs has introduced a new form of employment under which the definition of worker is fit. This has become a major challenge and the government has to revisit the labour laws. These workers are famous as self-employed or independent contractors (Horney, 2016).

In Pakistan, freelancers are facing difficulty in receiving and sending payments. There are fewer options available for the freelancer to transfer the payment as compared to other countries. Due to poor transaction systems, freelancers receive payments in delay.

2.4. Opportunities

Gig workers are commonly characterised as having transactional nature in their bounding with employers. The workers are not considered professionals or may not work full-time, gig work is not their sole source of income. Rather, freelancers work part-time or as a hobby (Brinkley, 2016). The motivation of individuals plays a significant role in creating new opportunities. The expectation of individuals increases the desire for their own business. Additionally, the desire for independence also increases the passion to work as an entrepreneur. Individuals are giving more importance to working independently because of job satisfaction, independence, and high-income potential. This kind of work allows individuals to explore entrepreneurial opportunities (Cigdem, 2022).

The gig economy has a positive impact also as a lot of big companies have started hiring from web-based platforms. It provides opportunities to work as a part-time worker and most full-time employees are switching to freelancing permanently. In cooperate world, employers are

finding the best individuals from the online platform to save their time and cost. Once a freelancer has completed work efficiently then, companies want that employee every time for the work that requires an external expert. In India, this platform has been employing unemployed young people and females due to its flexible working hours (Roy & Shrivastava, 2020).

Galpaya & Senanayake (2018), the purpose of the paper is to explore the potential of gig work in Myanmar, India, and Sri Lanka. The research showed that the platform provides an interface for freelancers to build connections across the globe, it has the ability to outsource the work, it allows the freelancer to work in flexible working hours, work dynamics have evolved and work can be performed anytime, and from anywhere, a freelancer was able to earn extra income, it facilitates people who are unemployed. The study on skill and employment impacts of online outsourcing work found that platform workers who upgrade their skills by practising and discovering new skills have improved their employability. A new opportunity was only available for the workers who overcome the barriers of entry and worked on their soft skills such as self-promotion, good communication skill, and adaptability (Barnes et al., 2015)

Gig economy has provided short-term and long-term employment depending on the preference of the individual. Employees who are working part-time are of planning to permanently switch to the gig economy. Moreover, during the period of recession, when it has become difficult to get employment in the traditional job, it provides opportunities. The opportunities for freelancers are increasing in the corporate world. The war on talent is not new and a lot of companies are practising it for many years to earn profit by focusing on the bottom lines. This can be a sweet pot for the freelancers who are ready to sacrifice their comfort and secure job and do that work which makes them happy. Now corporate work started preferring to hire people from web-based platforms to reduce their cost of doing business as they will not be liable to provide employment benefits to them and it increases their quality of work. The freelancing industry is creating a lot of lucrative opportunities for developing countries as well. For instance, India's economy is going through jobless growth. It can generate employment for young people. Nonetheless, it is also creating employment opportunities for women because it is providing flexible working hour option due to which females can easily maintain work and family life balance (Roy & Shrivastava, 2020).

2.5. Freelancing in Pakistan

Masood et al. (2018) analysed the motivations, reasons and outcomes of freelancing in Pakistan. The authors have implemented a systematic literature review and in-depth interviews to identify the factors. The study showed those factors that are pushing freelancers to this field are high income and flexible working hours. The finding revealed that freelancers often select this occupation because it gives them autonomy and a solution to unemployment. The barriers that freelancers are confronting are lack of job security, difficulty in maintaining work-life balance and irregular income.

On the other hand, Zaman et al. (2022) identified the freelancing opportunities for women in Pakistan. They deduced the conclusion that freelancing is positively affecting women in Pakistan as it provides economic empowerment. It offers financial independence, helps women in controlling domestic matters, autonomy, flexible working hours and increases the sense of professional identity. Conversely, the study has highlighted a few challenges as well i.e., time management, and skill development. The study suggested that there is a need for structural changes to maximize the potential of self-employment with a focus on women's empowerment because it will support the country to uplift its economic growth.

Similarly, Rawoof et al. (2021) explore the effect of freelancing on women's economic empowerment by focusing on professional identity, financial independence and household autonomy. The study mentioned that inflation and COVID-19 have disrupted the job market and increased the unemployment rates. The study has surveyed to investigate the relationship between women's empowerment and online freelancing opportunities. The results of the study showed that freelancing is positively influencing women's economic empowerment, enriching their involvement in the digital economy of Pakistan. It underscores the few existing challenges that are reducing the chances of winning more gigs, fear of failure and lack of knowledge about remote work.

Rehman et al. (2021) have compared the career prospects, job satisfaction and growth opportunities both in the traditional and online markets of the software industry of Pakistan. The authors have evaluated the study based on Fredrick-Herzberg's two-factor theory, which endorses that job satisfaction will depend on certain job characteristics. The study included responses from both traditional employees working in the private and government sectors and freelancers. The results of the study indicated that freelancers earn less than traditional

employees annually, freelancers are more satisfied with their jobs, freelancers are getting more learning opportunities in their jobs as compared to traditional employees, regular employees are more satisfied to work in a conventional working environment as compared to contrary freelancers are preferring to work from home, people who are working in regular employee set up are attractive towards more financial benefits whereas, freelancers are attractive towards learning opportunities and flexible working hours.

Freelancers are now becoming the backbone of the country's economic growth. As they are earning remittances for the country. Muhammad, Tahir & Zaman (2021) have evaluated the perception of freelancers towards remittance policies and their behaviour towards the economy of the country. The result of the study showed the positive impact of remittance policies on supporting freelancers.

Nonetheless, freelancing is providing opportunities to the marginalised group of Pakistan as well. Malik, Nicholson & Heeks (2018) conducted a study to understand the dynamics of the dynamic of online outsourcing engagement among the vulnerable sector of Pakistan. The study highlighted that freelancers are engaging in online work because of limited employment opportunities of regular jobs, economic necessity and flexible working hours options but they are facing cultural and infrastructure barriers along with online job market competition. However, the institutional ecosystem offers potential solutions that are comprised of intervention by development agencies, digital platforms and collaboration of freelancers among their peer groups.

Similarly, a study has been conducted in Hyderabad to investigate the factors influencing freelancing success. The research found that freelancers in Hyderabad lack in required skills that are essential to fully take advantage of digital platforms, high competition is reducing the chances of getting an opportunity and limited access to a reasonable supply of internet is increasing the disparities. On the other hand, freelancing provides opportunities to freelancers such as skill development, helping them explore their niche, strategic networking and technological advancement (Idrees et al., 2022).

Hussian et al. (2022) investigated the opportunities that are available in the e-rozgar platform (online platforms) for English Second Language (ESL) graduates living in Pakistan and working in the web content writing field. The results of the study highlighted that the freelancing market has immense potential in web-content writing as it plays a significant role in improving website

visibility and effectiveness. People are referring to work as a freelancer because it provides autonomy and flexibility. On the other hand, the prevalence of scammers within the market is affecting the freelancer's work. To get more benefits from the freelancing market government should make policies to empower youth with relevant skills so that young people can take immense benefit from this market. It will not only generate employment but also contribute to the country's economic growth (Ahsan et al., 2022).

2.6. Government Reforms for Freelancers in Pakistan

Pakistan is leapfrogging toward digital advancement. It has been placed at 4th place in terms of sales volume in freelancing after India, Bangladesh, and the USA. The country ranked fourth place in the world with 1 million in terms of freelancing users by the website freelancer.com (Haq et al., 2018). The biggest supplier of online labour is the traditional outsourcing destinations. As per the website of e-Rozgar website, 24% of freelancers belong to India and 9% from Pakistan. Moreover, Upwork also ranked Pakistan among the top five in the world. Besides, these freelancing platforms, employers are using social media as a source of sharing freelancing work. Pakistan Freelancers is one of the many renowned Facebook groups which has 0.533 million followers and customers can assign tasks directly to workers⁶.

Pakistan's IT sector is emerging as it was USD 2.1 billion in 2017 and USD 2.66 Billion in 2022. Nonetheless, the government set a goal to increase exports to USD 5 billion by 2023 (TechJuice, 2022). Nonetheless, the government is planning to expand IT contribution in exports to \$15 billion by 2026. To achieve this IT professionals, need to be raised from 0.6 million to 1.5 million. It is mandated by the prime minister to universities, training institutes, and Higher Education Commission to work together and upgrade the curriculum. Moreover, it is directed to relevant Ministries and SBP to take deliberate measures and resolve challenges pertaining IT sector (Tribune, 2023).

There are 17,000 software venture companies in Pakistan namely telecommunication and AI services providers. Export in the IT sector will not only bring remittance but also become a source of livelihood for unemployed people. In Pakistan, currently, 100,000 IT professionals are working remotely and their income is playing a significant role in enhancing revenues from

⁶ <https://erozgaar.pitb.gov.pk/Pakistan-4th-freelancing-country>

remittances. Government should bolster software and technology startups to present innovative ideas to strengthen digital infrastructure. The country's entrepreneur ecosystem can address challenges such as access to credit, poor payment transfers system, limited internet penetration, and digital landscape (Nation, 2023).

The World Economic Forum, Future of Jobs report has highlighted that the freelancer community will increase to 1 million and brings remittances of \$1 billion to Pakistan. It further identifies the need for a new skill set that is emerging with the advancement of technology such as Artificial Intelligence (AI), the Internet of Things (IoT), and Deep Data Analysis (Di Battista, Grayling, & Hasselaar, 2023).

However, to conquer the potential of IT exports and boost the freelancing culture government has made several measures. The government formed Pakistan Software Export Board (PSEB) in 2012 to support and develop the IT industry of Pakistan. This department aims to organise training programs to increase IT exports. PITB has announced a co-working space ⁷ to give training to 10,000 young women and men by including freelancers with different skill sets in the project (Iftikhar, 2017).

Different training programs have been introduced to impart required skills for the freelancers such as Digi skills and e-rozgar which have delivered over 500,000 pieces of training across Pakistan in 15 different courses and 3.6 million were enrolled in these programs. Of these 73% are males and 27% are females⁸. The government launched Digi Skill in 2017 and its DigiSkills 2.0 program was initiated in December 2021 (Tribune, 2021). The program was relaunched because of its commendable role in equipping exiting/ emerging freelancers as it has imparted skills and necessary tools to unleash global opportunities. Its focus is to improve the skills of women so that they could get better employment opportunities. The e-rozgar training program was launched in collaboration between Punjab Information Technology Board (PTIB) and Youth Affairs, Sports, and Archeology and Tourism (YASTA). This training program has trained around 9,000⁹ unemployed university graduates and now they have earned 100 million rupees from freelancing (Techjuice, 2022).

⁷ <https://www.pitb.gov.pk/techhub>

⁸ <https://digiskills.pk/>

⁹ <https://nftp.pitb.gov.pk/>

The Ministry of Information Technology (MoITT) has taken the initiative to provide a 100% tax credit for exports from IT and gains from industries. These tax relaxations will be applicable till 2025. This initiative was taken in 2021 and it will help the sector to meet the expected potential and get an opportunity to compete in the international market. Ministry has introduced another reform which is the introduction of Specialized Foreign Currency accounts specifically for IT sector companies and freelancers. This measure would help freelance to get payment transfers through the proper channel and it allows them to retain foreign currency in their account without any compulsion to convert it into local currency¹⁰. The government has offered a 100% exemption in capital gain tax for IT startups and besides this removes unnecessary restrictions on foreign exchange. To combat finance-scarce constraints Pakistan Technology Startup fund was approved and Ignite would be responsible to collect funds via a private-public partnership (GoP, 2022). Moreover, to support the IT sector government is working to uplift the ease of doing business, make the procedure easy to open bank accounts, and better connectivity to the internet (Tribune, 2021)

In 2020, SBP escalated the payment limit for freelancers working specifically in the IT area from \$ 5,000 to \$25,000/per individual. Approximately 300,000 freelancers are working in this sector. And this initiative would increase the remittances and facilitate the country to attain foreign reserves through proper and formal banking channels¹¹. By realising the growth margin of IT-enabled services (ITes) State Bank of Pakistan (SBP) has taken several measures. To keep the check of freelancers' income or remittances, the State Bank of Pakistan advised making separate records by issuing distinct heads/codes. Moreover, banks are also requested to facilitate foreign fund transfers of freelancers on priority. Nonetheless, different banks such as Faysal and Alfalah Bank facilitate freelance to open Digital Freelance Accounts for easy transfer of income like traditional employees from all around the world.

To intensify the employment opportunity of freelancing a memorandum of understanding (MOU) has been signed between Pakistan Freelancing Association and Special Technology Zones Authority (STZA). The agreement aims to make Pakistan the topmost marketplace and leading enabler for freelancers by providing mentorship, training, ease of doing business, and

¹⁰ <https://invest.gov.pk/node/1548>

¹¹ <https://www.sbp.org.pk/epd/2022/FECL14-Annex.pdf>

increasing technology-based jobs around the corner (Brecorder, 2022). Moreover, the government has drafted National Freelancing Policy 2021 to build its capacity and promote the market. The government of Pakistan has announced Data Protection Bill 2021¹² which was also a substantial initiative to improve the IT ecosystem (Nation, 2023).

In February 2022, the government launched its first e-commerce web portal e-tajarat portal the purpose of the site is to provide educational and marketplace opportunities to freelancers and also promote the spirit of 'Made in Pakistan'. This site is still under construction. To support the IT industry government built the National Centre of Artificial Intelligence (NCAI) in 2018 due to its competitive ecosystem it is now participating in almost every international forum to export AI products.

In April 2022, a Memorandum of Understanding (MoU) was signed between State Life Insurance Corporation (SLIC) and PSEB to protect professionals of the ICT sector and freelancers from unforeseen events and risks. They planned to cover accident and health insurance, life insurance, disability insurance, employer liability insurance, disability insurance, pension scheme, equipment insurance, and fire insurance plans (Press Information Department, 2022).

Pakistan's government is resolute in bridging the digital gap among the citizens and empowering individuals with digital technology. For this purpose, Pakistan's government launched the programs' Digital Pakistan Vision' in December 2019 and the 'Rolling Spectrum Strategy' policy 2020-2023 based on 5-G technology (PTA-2020)¹³.

2.7. State of Freelancing in Neighbouring/Developing Countries

In India, gig workforce is growing as it was 6.8 million in 2019-2020 and it increases to 7.7 million in 2020-21. It was anticipated that gig workforce will be increased to 23.5 million by 2029-30. The challenges platform workers in India confronting are job insecurity, limited provision of workplace protection and access to digital technologies. To provide facilitation to the worker Ministry of Labour and Employment, Government of India has launched E-SHRAM portal, hold database of unrecognized workers namely gig and platform workers, construction

¹² [https://moitt.gov.pk/SiteImage/Misc/files/25821%20DPA%20Bill%20Consultation%20Draft\(1\).pdf](https://moitt.gov.pk/SiteImage/Misc/files/25821%20DPA%20Bill%20Consultation%20Draft(1).pdf)

¹³ http://moib.gov.pk/Downloads/Policy/DIGITAL_PAKISTAN_POLICY%2822-05-2018%29.pdf

workers etc. E-SHRAM is a unified window to provide social security benefit to all the unrecognised workers. In addition this Indian government has expanded the scope of the Social Security Code by including unrecognised worker category and ensure access to basic workers' rights such as unemployment, sickness, work related injury, maternity leave and old age benefit (Aayog, 2022).

Bangladesh is the second largest country in terms of online labour supply. As per the estimates UNCTAD approximately 650,000 freelancers are working in Bangladesh and they are earning \$ 100 million remittances annually (Digital Economy Report, 2019). The freelancers in Bangladesh are facing various problems such as inefficient payment transfer method, inadequate relevant skills, lack of communication skills, unable to find work on time etc (Rahman & Rahman, 2017). To resolve the issues related to the payment ICT division and Bangladesh Freelancer Development Society (BDS) have started a project to create a database of the local freelancers. They have issued a digital card i.e., 'Free ID' so that they can easily transact there financial dues from online platforms to bank (Haque, 2020). Moreover, after the launch of Digital Bangladesh Roadmap the government has implemented three main programs i.e., Good Governance, MY-Village-My City and Power of Youth. Additionally, government has launched learning and earning project to train 40,000 individuals and built ICT parks in each district. The poor internet facility is affecting the freelancers output. Freelancers in Bangladesh are using payoneer for the transaction of money and government is making efforts to introduce pay pal¹⁴.

Philippines also consider as one which has highest number of freelancers. Currently, 1.5 million Filipinos freelancers are register with different online platforms. The supply of freelancers is increasing after the pandemic due to massive layoff of the worker. Moreover, Filipinos are attracted more towards freelancers because of high income potential, flexible working hours and part-time working. On the other side, their demand is also high because of their high English proficiency aptitude and hard-working attitude and low cost labour. The survey conducted by GCash and Payoneer shed light on the challenges faced by the freelancer are inaccessibility of company sponsor benefits, income insecurity and isolation (Gcash & Payoneer, 2022). The government has introduced a bill refer as Freelance Worker Protection Act to provide incentive and ensure protection of workers' rights. The bill included provision of various rights for freelancers such as work related injury benefit, night shift differential pay, comprehensive

¹⁴ <https://freelancers.gov.bd/2021/01/02/government-initiatives-to-develop-the-freelancing-sector/>

written employment contract which must demonstrate compensation and benefits and etc¹⁵.

2.8. Research Gap

The studies have been conducted to find out the challenges freelancers are facing such as lack of health insurance coverage, skill development, lack of clarity of career path, insecure job, financial instability, hidden cost and no mentorship (Ashford et al., 2018; Friedman, 2014; Petriglieri et al., 2019; Horney, 2016). These studies do not inform people about the perils of working as freelancers for country development. If significant number of brilliant minds would engage in freelancing and provide their services to clients who are living across the country then it would affect country's development, I called it as 'digital brain drain'. In Pakistan, researches have been conducted to analyse the challenges and opportunities that freelancers are experiencing (Masood et al., 2018; Zaman et al., 2021; Rehman et al., 2021; Idrees et al., 2022) but there is scanty of literature on future trends and prospects and challenges related to online platform and views of freelancers towards government reforms except Muhammad, Tahir & Zaman (2021) who have evaluated the perception of freelancers towards remittance policies. In Pakistan studies did not highlight the importance to merge freelancers in employee category under the laws to avail at least pension benefits. Moreover, this study has included experts and freelancers comments on the freelancing industry which will be helpful for government to make effective policies.

¹⁵ <https://www.pna.gov.ph/articles/1194155>

Chapter 3

Theoretical Background and Methodology

3.1. Freelancer Value Proposition (FVP)

The word Value Proposition refers to the starting point of the employment relationship. It can attract potential workers and retain the existing ones. The term value is being used in different scenarios and has various definitions. Value is considered a differential effect of entire benefits avail with respect to all sacrifices made to get those benefits. Additionally, customer value means the profit customer gets from the product surpasses costs, which the client has to pay to obtain that product (Arthur & Rousseau, 1996). It is also based on cost and benefit analysis. On the same ground, employees perceive the value of the basis of job benefits and sacrifices. A set of values that an enterprise or company provides to the existing or potential worker is called an *Employee Value Proposition (EVP)* (Backhaus & Tikoos, 2004). Thomas (2018) has defined EVP as the “value that your employees gain from working at your company”.

The idea of EVP is deduced from the notion of customer value proposition (CVP) that belongs to the marketing management discipline. CVP is an agreement in terms of value exchange that a company makes to their client while selling their product and services. Similarly, EVP is an agreement that a company makes while offering a job to employees in exchange for his/her services (Bamel & Singh, 2015). The relationship between the company and the customer will be long-lasting and effective if the services offered by the company meet the client’s needs. Akin to this, if an employer proposed the benefits and gains that workers seek from the job, their relationship will be prolonged, effective, and beneficial (Marroit Jr, 2001).

There are two main approaches through which employers can develop EVP. Under the first approach, the employer has to identify the set of values which is required by the potential worker and make a plan to attain those values (Rynes & Barber,1990). The second approach stated that it is not mandatory to create a new set of values, however, the already regulating set of values must be consistent with what a company wanted to communicate externally (Ambler & Barrow, 1996).

EVP plays a significant role in strategic employee management and leads to improve business

outcomes (Herger, 2007). It is one of the points which initiates employee branding which is crucial for overall branding and helps the company to find potential candidates (Backhaus & Tikoo, 2004). EVP is a developmental process formed by identifying the value attributes by listening to and observing the employees of a particular industry. It helps form the value delivery system, which depicts that it is not simply listing attributes (Partibha, 2015). It was perceived that strategic EVP is a complex process, but if developed brilliantly, it has the power to attract competent employees. Workers' retention rate and turnover is the biggest challenge for human resource management in the labour market. Hiring the right person for the appropriate position at the right time is floundering for human resource personnel. In recent times, the idea of employer branding has commonly been used to create a good image of the company in the mind of the workers. It is generally acknowledged that benefits and compensation are not a few factors attracting workers. However, several other monetary and non-monetary factors are also required to measure job attractiveness, such as work autonomy, work-life balance, work culture, and transparency. Internal brand management practices state that the company's employer and perception of the organisation in the labour market are imperative to attract a potential candidate (Reis & Braga, 2016).

Different authors have proposed various values to help analyse employees' value propositions (EVP). Breton (2005) has suggested five sets of values: economic value, social value, departmental value, application value, and interest value, which are vital for the perspective of employee retention. Jiang and Iles (2011) have deduced that value propositions are the predominant features of employee-based brand equity. The value propositions consist of social value, economic value, interest value, development value, and brand trust. Ambler and Barrow (1996) have introduced their version of the value proposition such as psychological values, functional values, and economic values. However, Chinese employers are giving more attention to social values and esteem values to retain existing employees (Bjorkman & Lu, 1999)

With the development in technology, the number of freelancers is increasing and competition among online platforms is also increasing. These platforms are coming up with new strategies to provide the best service and take maximum benefits from freelancers and clients.

There is scanty research on identifying the attributes that are valuable for online platform

orkers. The concept of EVP is a multidimensional construct as it consists of social value, economic value, emotional value, and technical value. The job nature of freelancers is different from corporate and the attributes of EVP would be different. For example, colleagues and peer groups do not exist, hence the idea of social value can be represented through reputation instead of employer peer group relationships.

3.1.1. Theories that Support the Concept of EVP

The self-determinant theory addresses a vast spectrum of both extrinsic and intrinsic motivational factors to accomplish higher objectives in a career (Deci & Ryan, 1996). Extrinsic factor revolves around technological, environmental, political, and other aspects that are not in the control of individuals such as unemployment, technological change, and economic and industrial growth (Dysvik & Kuvaas, 2013). On the other hand, the intrinsic factor addresses individual characteristics such as enjoyment, passion, autonomy, self-reward, competence, and eagerness to accomplish something (Abubakar & Shneitkat, 2017). Value proposition comprised of both extrinsic motivational factors (e.g., social value and economic value) as intrinsic factors (such as hedonic value, and autonomy value).

Human capital theory can be used to explain EVP and it holds collection of skills, social networks, knowledge, and personal choices of humans that motivate them to perform tasks efficiently and generate a huge amount of economic revenue (Tan, 2014). Van den Born & Van Wittloostuijn (2013) have determines that the career insights, openness, and pro-activeness are the three motivators of personal development that plays significant in achievement and risk-taking propensity for online platform worker. The term openness mostly refers to the expression of thoughts and autonomy of decisions. Career development objectives aspire freelancers to select that projects which support them to create strong profiles and increase new avenues to earn more (Abubakar& Shneikat, 2017).

3.2. Freelancers' Job Stress (FJS)

The term stress is defined as the syndrome of being sick due to biological, chemical, and physical stimuli (Selye, 1936). Afterwards, Selyes redefined it as “psychological and physical responses to unfavourable conditions and its influences”. Behavioural science has taken up the term and considers it as a natural response of an individual to demands which are enforced on

him (Seyle, 1974). The researchers highlighted that stress can trigger both positive and negative human behaviour (Benson & Allen, 1980). Negative stress is called a “stressor” and positive is “eustress” (Simmons & Nelson, 2001). The constructive implication of stress would increase the level of motivation, productivity, and creativity of employees (Rojas & Kleiner, 2000). Some researchers also bring to light the dark side of it by underlining that stress stimulates motivation in work but when issues remain unresolved it would negatively impact human behaviour (Wong & Cheuk, 2005). Employees normally come across this situation when they are unable to meet the work demands and pressure (Hart & Cooper, 2001). The new researchers have reformulated the stress situations where the well-being of workers is decreasing because they fail to tackle the working environment (Wayne & Ford, 2014). Job stress term entails negative feelings such as tension, frustration, hardness, distress, worry, and emotional exhaustion (Armstrong & Griffin, 2004).

The factors responsible for heightening stress are organizational and personal factors (Takahashi, 2010). Personal factors are personality features, self-esteem, and locus of control. Organisation factors are independent of the control of workers such as working conditions, job control, job creation, and demand in the market. Predominately, personal factors and work environment are directly proportional to each other in terms of increasing stress.

Workplace stress has behavioural, psychological, and physical effects on workers (Dhar, 2010). It will affect the outcome of the organisation because of an increase in absenteeism, low esteem, etc (Kim & Stoner, 2008). The work-related stress is one of the major reasons for cardiovascular disease and poor mental health. Nonetheless, the IT-related worker would affect by diseases like high blood pressure, musculoskeletal disorder, and visual discomfort, which would cause by stress. Generally, freelancers also face worker-related stress because they have to meet deadlines. Theories that Support the Employee Job Stress

Employee job stress can be described by the “person-environment (P-E) fit theory of stress” which explains that work stress will increase if his/her skill, abilities, knowledge, and resources didn’t match the job requirement (Caplan, 1987). P-E theory also demonstrates the work environment may demand skills, abilities, and knowledge that workers didn’t possess and resulting in job stress (Hobfoll, 2001). Another aspect will be that workers’ needs cannot be accomplished by the job (Greguras & Diefendorff, 2009).

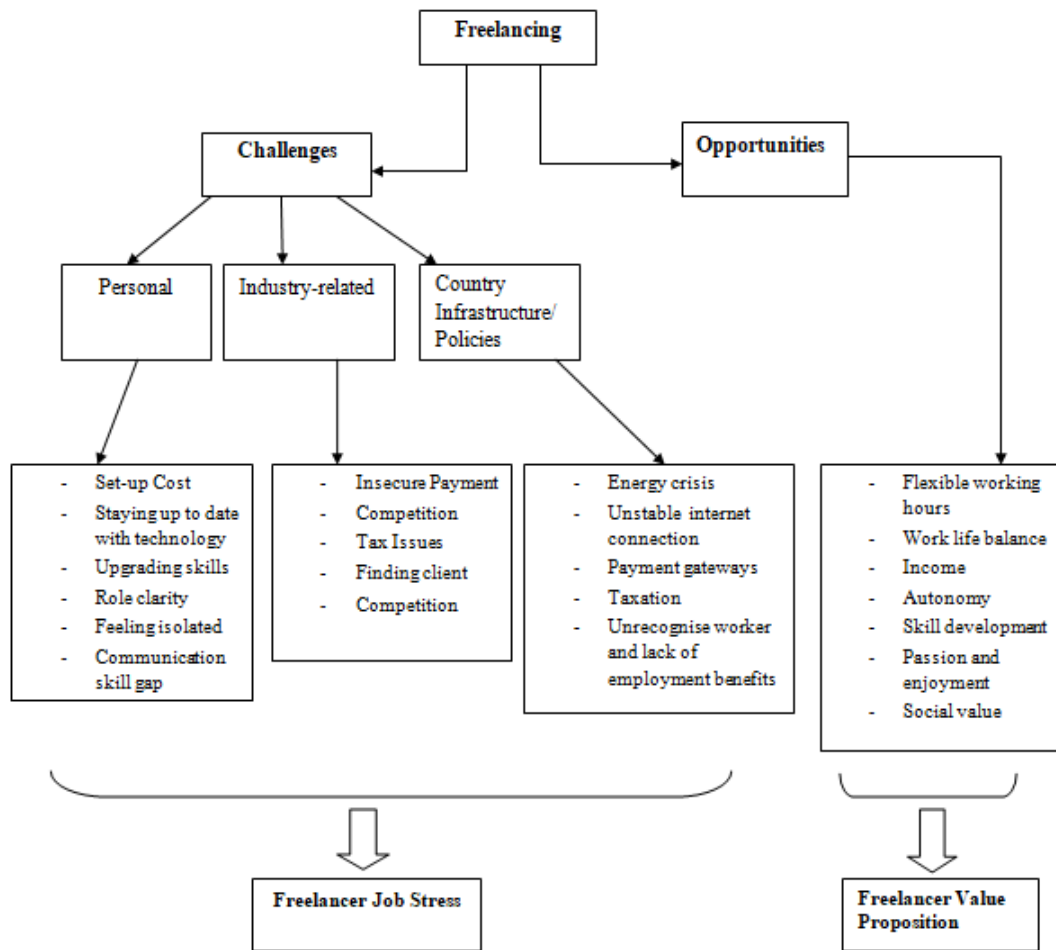
As per “Job-demand Control Theory”, job stress can be increased due to excessive psychological and job-related demands (Karasek Jr, 1979). The work-related stress can be perceived in two dimensions such as job control and psychological job demands (Boswell et al., 2014). Psychological demand affects workers because of role conflict, time pressure, excess workload, and cognitive and emotional demands (Bakker & Demerouti, 2007). Conversely, job control affects decision-making power, the autonomy of employees, and flexibility (Bond & Bunce, 2001). Additionally, the two main factors of job control are skill discretion and high work demands. The high work demand with low control over it leads to stress and affects the physical and mental health of the worker (Tsutsumi, 2001).

3.3. Conceptual Framework

The amalgamation of technology with the labour market has changed the dimensions and nature of the work (Worldbank, 2019). Lately, the emergence of the gig economy has provided numerous job opportunities for freelancers and it allows them to find a short-term job, which can be referred to as a ‘Gig’ and clients get the workers on demand (Kuhn, 2016). The gig economy is directly linked with the country’s Information technology and communication industry (ICT). In Pakistan due to the increase in freelancing, the IT industry has shown sustainable revenue growth over the past few years i.e., 20 to 30% every year (GoP, 2020). The freelancing services include clerical and data, professional services, creative and multimedia services, sales and marketing support, writing and translation, and software development and technology.

The figure 2 has been divided into two main categories challenges and opportunities. The challenges category has been further subdivided into personal, industry-related and government policies related challenges. It was found that people prefer to opt for self-employment because of job satisfaction, independence, autonomy, family responsibilities, and high income (Stefano, 2015). The services exchange through an online platform allows the worker and client to buy and sell it in exchange for money for a short-term period. Similarly, EVP is an agreement that a company makes while offering a job to employees in exchange for his/her services which is also known as the freelancer value proposition (Kuhn, 2016).

Figure 2 Diagram of Conceptual Framework



The factors that are creating stress for the freelancers are clarity of role because the clients did not communicate properly and define all the dimensions of the project, payment issues, competition, work availability, rejection, no perks and benefits, and imposition of taxes (Nawaz et al., 2020). To combat the rising challenges government has introduced various reforms such as tax exemption for registered freelancers drafted a national freelancing policy, digital freelancers accounts, training and development, and health insurance to facilitate freelancers which in turn increases the IT exports. The freelancing industry has the potential to reduce the unemployment issues in Pakistan hence; the government has to make more efforts to boost it.

Chapter 4

Methodology

This chapter has discussed the methodology that would be used to analyse the data. Sotirios Sarantakos defines research methodology as the science of methods that contain specific principles and standards which is used to guide the structure, choice, process, and use of methods, as mentioned by the underlying paradigm (Sarantakos, 2005, p.34). In the study, a survey and interviews have been conducted to get freelancers' perspectives and analyse challenges freelancers are confronting the freelancing industry challenges.

4.1. Qualitative Research Strategy

There are two types of research strategies in social science areas. These are qualitative and quantitative research strategies. In the current study former approach has been used. The benefits of using a qualitative research strategy are; 1) It helps to develop inductive reasoning through theoretical background and investigation of phenomena, 2) its main concern is to find out what meaning belongs to observable phenomena and hence it is related to the epistemological position of interpretationists, 3) however, the ontological position of qualitative research is rooted in constructionism (Bernard, 1995). Higs and Cant (2009) have elaborated on the salient feature of this strategy as 1) it doesn't require results based on mathematics, 2) it can explain several socially constructed realities, 3) the information it produces has value bound and 4) it is more impactful to describe and interpret the situation than to handle it. Therefore, qualitative research was applied to collect information on the challenges freelancers face and determine the future freelancing industry in Pakistan.

4.2. Research Design

Research design has distinct attributes to answer two main questions does the research answers the main research objectives, if yes, how well it is responding to the objectives (Majumdar, 2005). As per Majumdar the research design should be composed and sophisticated to answer the research question as accurately as possible. I have used exploratory research design which is used to identify the problem and challenges that are not clearly defined. It is carried out to analyse the existing problem but does not depend on finding out cause and effect. To conduct exploratory research, a researcher starts with the raw idea and utilises this research as a prototype to determine the challenges which can be further deeply studied in future research. A critical

aspect can be that researcher should be ready to transfer the direction of research according to the trend of new insights and data. Such type of research is used to detect problems that are just started or are in their preliminary stage (Bryman, 2012).

I employed an exploratory research design to investigate the challenges that freelancers face when acquiring and completing their tasks, to highlight the opportunities that freelancers enjoy while fulfilling their work, and to explore the evolution of this work in the future. Additionally, I aimed to determine the role of the government in framing policies to support freelancers and increase remittances for the country. This research design is particularly suitable for the study due to the limited availability of data.

4.3. Method of Data Collection

The survey method was employed to collect data for the study. In the process of preparation of the questionnaire which was used in the data collection, the literature review on freelancers, the gig economy, and entrepreneurial motivation have been analysed in-depth. Moreover, data that previous studies have collected was also incorporated to compare it with the current study results. The benefits of using this kind of method will help the researcher to compile a quick statistical analysis. Additionally, data that is collected via a carefully framed questionnaire are less likely to affect by interviewer bias as standardise questions will be asked in the structured survey (Omanchinski, 2011). The survey has been formulated by using different reports and literature such Global Freelancer Survey, and Fiverr Freelancer Economic Impact Report 2022.

The structured survey has been divided into four different sections. In the first sector, all the question-related demographics have been included such as age, education, freelancer category, etc. The challenges sections have been divided into two sections personal and platform challenges. The personal challenges questions are related to the hurdles that hinder the growth of freelancers however, platform challenges described the policies of the online websites are supportive and encouraging. The last section consists of questions related to future trends in the freelancing industry and government reforms.

In this study, semi-structured interviews have also been conducted and it is considered as one of the most widely used methods in qualitative research. It is the combination of structured

(properly planned) and unstructured (means free-flowing and informal) interviews. The overall formation of tags is loosely structured which gives interviewees full liberty to express their views (Bryman, 2012). Moreover, semi-structured interviews are recommended for same kind of studies because it allows crossing check findings from the literature review and allows individuals to express their point of views (Bristol & Fern, 2003; Wooten & Reed, 2000). The purpose of conducting a structural survey and semi-structured interview is to collect insights from the Units of Data Collection (UDCs).

The UDCs for the research were:

UDC 1: Freelancers

As is indicated by the research title I intended to figure out the challenges and prospects of freelancing in Pakistan, thus freelancers are constituted who work in different categories such as professional services, clerical and data entry, creative and multimedia, sales and marketing support, software development and technology and writing and translation, etc. in my research as a Unit of Data collection. A structural survey has been filled out by freelancers and selected a few online workers for semi-structured interviews.

UDC 2: Pakistan Freelancer Association (PFLA)

PFLA is a private entity that ensures to provide support to independent workers. It advocates government change the policy and build a community that helps support each other. It also provides various benefits to the freelancer such as easy access to finance or loans, insurance, and legal consultation. The semi-structured interview has been conducted to compare government and private sector roles in the freelancing industry.

UDC3: Institute of Emerging Careers

This institute provides training for 6 to 8 months to unemployed graduates on UI UX, blockchain Cyber security etc. Its unique value proposition is that IEC also provides services of job placement to freelancers.

4.4. Population of the Study

The population of the study refers to all individuals eligible to participate in the research or

study; they are considered as the study's population. This generally encompasses all the items and elements within the study's universe (Avwokeni, 2006). Since the study aims to analyze the challenges faced by freelancers in Pakistan and the opportunities that pique their interest in this field, our study's population includes all freelancers residing in Pakistan, regardless of gender and age. Online Labour Index categories have been used mentioned in annexure (Galpaya & Senanayake, 2018) to select freelancers indiscriminately from LinkedIn Website for filling the survey.

4.5. Sampling

Sampling has been defined as “a small portion of the targeted population which is to be selected for investigation” (Sarantakos, 2005). It was mentioned by the Sarantakos that a sample is a small number that is selected to represent the whole population. I have employed two types of techniques as per the contextual reality of my units of data collection i.e., convenience and purposive sampling.

4.4.1. Convenience and Purposive Sampling

These are non-probabilistic sampling methods. In convenience sampling, a subgroup from the proposed population of the study will be selected based on certain criteria, which may include accessibility, availability of individuals, geographical location, and their willingness to participate in the survey (Dornyei, 2007). This sampling method was chosen to conduct the survey in this study, and the sample size has been determined using a rule of thumb, which suggests that the total sample size should be equivalent to ten times the number of items in the questionnaire (Hair et al., 2011). In our study, the questionnaire comprises a total of 40 items; therefore, the preferred sample size is $40 * 10 = 400$. The survey was distributed to 400 freelancers, and 127 of them completed the form, it suggests that this sample size is feasible for data analysis. Hoyle (1995) also recommends that a sample size of 100 to 200 is a good starting point for fulfilling research objectives.

Purposive sampling the researcher purposely chooses the subject which in their opinion is more relevant to the study (Sarantakos, 2005). It is also called Judgemental, selective and subjective sampling. This kind of sampling allows researcher to select right mix of participants based on their experiences (Nawaz et al., 2020). In the current study, purposive sampling was used to

select freelancers, government officials, and freelancing industry stakeholders in the private sector. Given my research objectives and questions, PSEB, PFLA, and Ignite employees are the right people who can give me information related to the freelancing industry. As per Onwuegbuzie & Leech (2007), it is recommended to conduct thematic analysis with sample size of 6 to 10 participants (interviews) for smaller projects. Therefore, this study opted to hold interviews with 10 participants, five from experts and five from freelancers.

4.6. Technique of Data Collection

After identifying the stakeholders of the study, I started the process of data collection. To fill out the survey I contacted PSEB and PFLA officials via email and requested them to share the contact details of freelancers so I could share the survey with them. But they are reluctant to share due to their official binding. Hence, I went to Upwork, Fiverr, and Freelancer.com LinkedIn pages and apply the Pakistan filter on their employees' tab conveniently sent connection requests to 600 people out of which 400 people accepted my request. Once they accepted my connection request I shared Google forms with them. Several freelancers accepted the request but did not reply to messages and follow-up messages have been sent twice. In this process, 127 /400 freelancers have filled out the survey.

The semi-structured interviews have been conducted with freelancers and experts of the industry. The experts who participated in this study are affiliated with PFLA, IEC, and startup ownership. The officials from PSEB and Ignite were contacted, however they did not respond to emails and LinkedIn messages. The date and time were finalised as per the availability of the interviewees. I conducted 20 to 40 minutes long eight semi-structured interviews. The interviews have been held either in Urdu or English, as per the preferred language of the interviewees. The interviews are audio recorded. Afterwards, verbatim has been prepared into the Roman English version of Urdu and later translated into English by applying the back translation method. A total of 7735 words after the translation and transcription of the interviews were formed. Before starting the interview, I took oral consent from interviewees to write their names and designation in the study (as shown in the table) and use their responses in the form of quotes for analysis in the research. To analyze the data themes and subthemes have been developed manually.

Table 4. Information of Participants

| ID | Name | Occupation | Education | Experience | Freelancing Category |
|-----------|------------------|--|--|-------------------|--|
| 1 | Ghulam Rehman | Vice President and Head of GB Chapter Pakistan Freelancing Association | BS Mass Communication | 12 Years | Mentor |
| 2 | Syed Ommer Ameer | Instructor Institute of Emerging Career | MS Project Management | 10 Years | Software and Technology Development , Writing, and Translation |
| 3 | Nida e Fatima | Freelancer Works for Subcontractor | MS Management Science | 10 year | Writing and Translation |
| 4 | Najam us, Zaman | Full-time Employee | BBA | 7 years | Creative and Media |
| 5 | AbidurRehman | Owner of a Startup | Art, Illustration , and Graphic Design | 6 years | Creative and Media |
| 6 | Arooba | Outsource Company Owner | MS English Literature | 4 years | Writing and Translation |
| 7 | Mehreen Yar Khan | Freelancer | MSc Economics | 3 years | E-commerce |
| 8 | Madiha Subhani | Freelancer | Mphil Food Technology | 1.5 years | Amazon and Virtual Assistant |

4.7. Analysis

To analyse the data, I have conducted descriptive analyses for the UDC 1 of the study i.e., Freelancers. It is used to collect information on the challenges and opportunities freelancers are facing in Pakistan. It also helps in highlighting the prospect of freelancing in the country. Moreover, thematic analysis is also used to analyse the semi-structured interviews. It is generally used in qualitative research and focuses on identifying the themes and patterns of meaning in the data. Thematic analyses have a distinct feature to evaluate hidden and explicit meaning which is

present in the data. This attribute makes it a more appropriate framework to evaluate data for understanding themes, opinions, and views through surveys, in-depth interviews, and field research. In this research, thematic analysis has been used to analyse the expert opinions, approaches, and views. I manually identified the themes by following the approach used in a similar study conducted by Çiğdem (2022) in Turkey on freelancers. Each interview was thoroughly reviewed multiple times, and the data were extracted and categorized under pre-established themes (Yildirim & Şimşek, 2013; Nawaz et al., 2020). The data collected during the interviews were conceptually coded according to the predefined themes established prior to the interviews. Subsequently, themes were selected based on commonalities observed among the identified concepts. The codes within the selected themes were then elucidated and interpreted in relation to each other. To convey the original thoughts of the participants on the subject, direct quotations were included.

Chapter 5

Analysis and Discussion

The chapter will discuss the findings of this study. The survey finding has been discussed in five main headings. Afterwards, thematic analysis has been discussed which comprised five main and fifteen sub-themes. The research question stated before has been addressed within the mentioned themes that emerged from interviews with freelancers and experts.

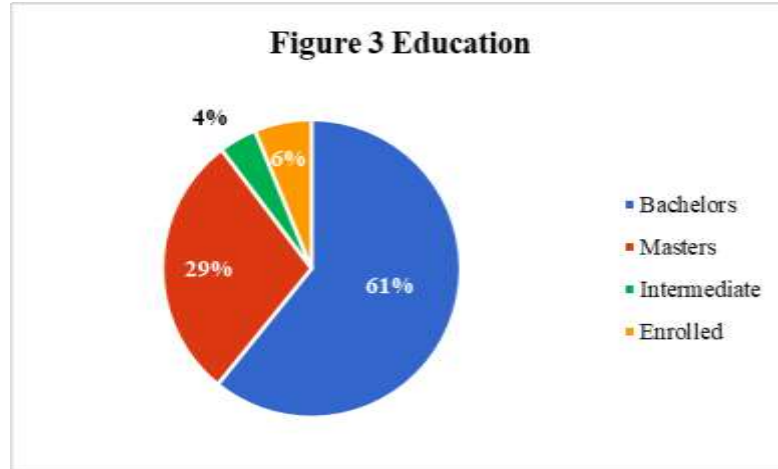
5.1. Descriptive Statistics

Section I: Demographics of Freelancers

Section I, discussed the demographics of freelancers who have participated in the survey i.e., education, occupation, hours of work, income, experience, and reasons to select freelancing as a profession.

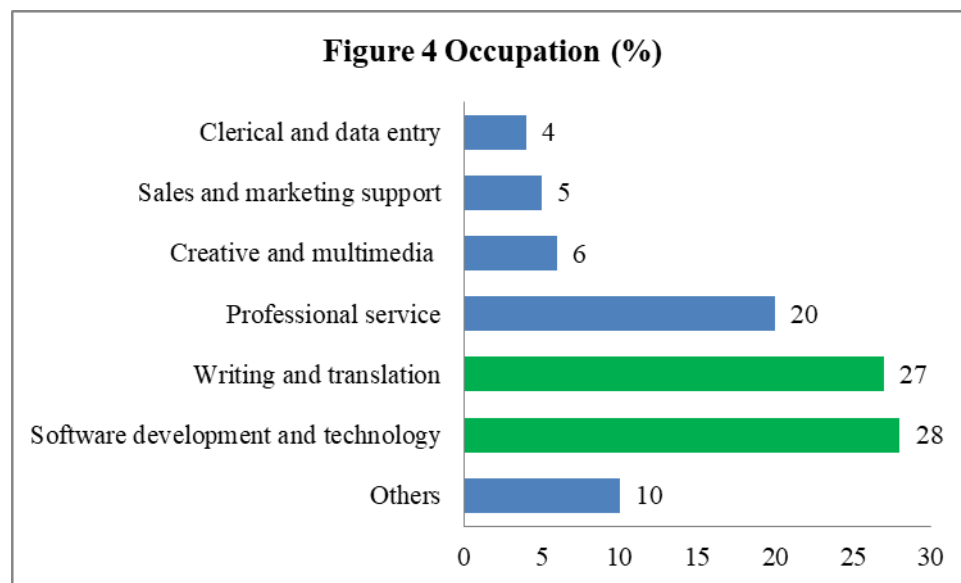
1. Education

The structured survey has been shared with freelancers in the form of Google Forms. Most of the respondents were males i.e., 69%, and only 31% of females responded. As shown in Figure 3, the majority of freelancers have completed a bachelor's degree (61%), 29% have completed a Master, 6% of them are still pursuing their master's/bachelor's degree and 4% have passed intermediate. Of sixty-one percent, around 47% hold a degree in software, computer science, or related fields, and 16% have ordained Engineering degrees namely Mechanical, Aerospace, Electrical, etc. However, the remaining 35% possess a degree in Economics, Media studies, Textile designing, Peace and Conflict, MBBS, etc. In the overall survey, 14% of females hold Bachelor's degree and the figures are the same for the master's degree holder's women. Whereas, 46% of males hold Bachelor's degree and 14% have cleared a Master's. In the study, the number of people who possess a Bachelors's are more as compared to those with a master's degree. The average years of experience of master's degree holders are higher i.e. 10 years as compared to Bachelor's degree holders such as 4.3 years.



2. Occupation

The occupation of freelancers is based on the categories identified by the online labour index. Galpaya and Senanayake (2018) and it included six broader categories such as e professional services (), clerical data, creative and multimedia, Sale and marketing support, software development and technology and writing and translation.



As reflected in Figure 4, software development is an emerging field and popular domain among the freelancers of Pakistan, eminent with the percentage of people who chose this field as a source of income i.e., 28%. Subsequent to software and development is the writing and translation field, with a notable 27% of the people working in it. This showed that the demand

for freelancers who are giving services of writing and translation work are increasing. Twenty percent of freelancers are specialised in Professional services. It is depicted in the data that few freelancers are working in clerical and data entry, sales and marketing, and creative and multimedia categories.

As per International Labour Organisation (ILO) data, freelancers work in the fields such as data analysis, design, translation, software development, etc. in which they are not experts or hold degrees (Surie & Huws, 2023). This argument was not matched to two main categories of the current study such as software and technology development, writing and translation, as maximum freelancers' skills resemble their degrees. Freelancers who had software engineering and BSCS degree reflected better skill matches as they find work-related software and technology development. Out of 23% (writing and translation category), 16% of workers had skills required to fulfil gigs related to content writing, technical and academic writing, and translation. In contrast, only 6% of the workers who are engaged in professional services had graduated with economics, finance, and accounting qualifications.

3. Hours of Work, Income, and Experience

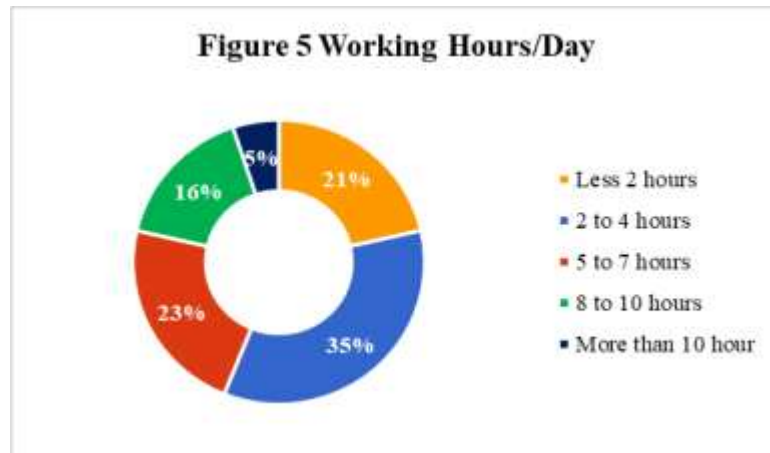
A Slovenian study estimated that education, skills, and years of experience are positively affecting the freelancer's subject (satisfaction with job, career, and life) and objective (satisfaction with earning) success (Hudek et al., 2021). The below-mentioned table clearly explains that worker with less experience are earning less. As the experience and skill increases, freelancers' hourly earnings are also exceeding. In the United States, the average per-hour income rate of freelancers working in web developing, legal, marketing, accounting, and related skills is \$28 and while looking at all the categories it is \$20/hour (Cope, 2021). In our neighbouring country i.e., India female freelancers' income has grown to 42% in 2022. The average hourly income was \$14 in 2020 and it surged to \$22 in 2022 however, current data reveals that Pakistan's freelancer average hourly rate is \$14. If we look deeper into data insights, the average hourly wage for males is \$14, and for females is \$11.

The gender wage gap is approximately 21.43% and it means that women freelancers are earning 21.43% lesser than their counterparts. Moreover, people with 2 to 5 years of experience are getting high pay per hour relative to less than 2 years of experience as

mentioned in Table 2.

| Table 5: Years of Experience Vs Hourly Wage (%) | | | | | |
|--|----------------------|--------------------|---------------------|---------------------|-----------------------|
| Experience | Less than \$5 | \$6 to \$10 | \$11 to \$20 | \$21 to \$25 | More than \$25 |
| 1 Year | 45 | 37 | 16 | 0 | 0 |
| 2 Years | 19.3 | 14.8 | 20 | 20 | 25 |
| 3 Years | 12.9 | 22.2 | 29 | 20 | 37.5 |
| 4 Years | 6.4 | 7.4 | 4.1 | 20 | 12.5 |
| 5 Years | 6.4 | 11.11 | 8.33 | 10 | 25 |
| 6 Years | 6.4 | 7.4 | 12.5 | 10 | 0 |
| 7 Years | 0 | 0 | 4.16 | 10 | 0 |
| Total | 32% | 27% | 25% | 10% | 8.24% |

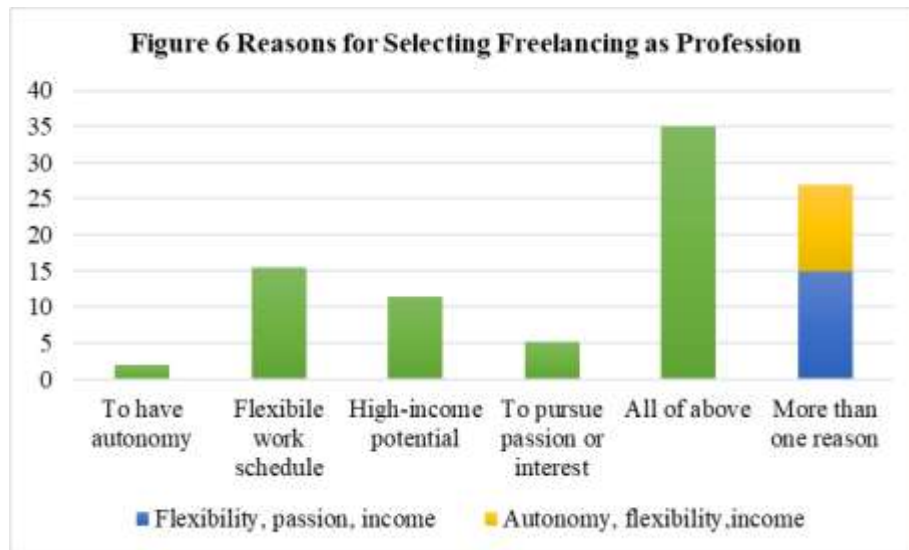
It is highlighted in Figure 5 that most people are working 2 to 4 hours i.e., 35%, and 21% of freelancers are working less than 2 hours. It showed that most people opted for freelancing as a part-time job and uses it as a secondary source of income; they may be already engaged in precarious employment and are not committing to decent work requirements. It is also depicted that males more prefer it as a part-time job as compared to females as 34% are working between 5 to 7 hours and 34% of males are working 2 to 4 hours per day.



4. Reasons for Selecting Freelancing as a Profession

The main reasons that freelancers choose to freelancing as a profession are autonomy,

flexibility in their work schedule, and high-income potential (Born & Witteloostuijn, 2013). The survey of this study also identified in Figure 6 that 35% of the workers have chosen freelancing as a profession because it allows them to pursue their passion or interest (5%), increase their monthly income (11.3%), and have work autonomy (2%), and flexibility in their work schedule. Since it provides flexibility and independence in work, freelancers can easily perform their family responsibilities along with job assignments, particularly for females. Thirty-six percent of women who participated in the survey responded that they have selected freelancing as a profession because of its flexi-time. Conversely, 19% of males have responded that they have selected freelancing as a profession for multiple reasons including flexibility in work schedule, high-income potential, and pursuing a passion, however, 15% had particularly picked it as a profession because of high-income potential. In other options, workers highlighted that they are pursuing freelancing as a part-time job to support studies, to learn how to deal with clients, their family members restrict them to do proper jobs, etc.



Section II: Challenges Freelancers Are Facing in Pakistan

Section 2, the challenges freelancers are facing as an individual and including legal and contractual issues, hidden costs to buying the equipment, finding clients time management, competition, distractions while working from home, etc.

1. Challenges Freelancers Are Facing

Freelancers are confronting many challenges, but as per literature, the main challenges are

irregular payment, competition, finding clients, administrative tasks staying up to date with technology, self-motivation, hidden costs, legal and contractual issues, and feeling alone.

| Table 6: Challenges Freelancers are Facing (%) | | | | | |
|---|------------------------|-----------------|-------------------|-------------|------------------|
| Barriers | Not Challenging | Somewhat | Moderately | Very | Extremely |
| Irregular Payment | 28 | 26 | 27 | 16 | 4 |
| Competition | 6 | 16 | 27 | 27 | 24 |
| Finding Client | 7 | 11 | 29 | 34 | 19 |
| Time Management | 19 | 28 | 23 | 21 | 7 |
| Administrative Task | 20 | 34 | 35 | 9 | 2 |
| Staying up to date with technology | 22 | 37 | 24 | 11 | 5 |
| Self-Motivation | 28 | 26 | 21 | 15 | 10 |
| Hidden costs | 22 | 30 | 29 | 14 | 5 |
| Legal and Contractual | 36 | 24 | 28 | 7 | 5 |
| Feeling of isolation | 37 | 30 | 16 | 10 | 7 |

Gig work is ‘Transience’, meaning the website provides work for a shorter period. Since the work is performed online it results in emotional tension and isolation. Gig workers meet their employers online which reduces the chance of getting mentorship which is a prerequisite for skill and career development. It provides a restricted opportunity to interact and build networks in person. However, Freelancers in Pakistan seldom feel isolated as shown in Table 3 as merely 7% reported that it is extremely challenging for them to work alone and 37% marked it as not very challenging and 30% felt find it somewhat challenging. Another indicator that impacts working alone is self-motivation to do work. The online platforms help freelancers to upgrade their technical skills and exposure to the world which keeps them motivated, however, in some cases working alone lacks the skill sharing and upgrading phenomenon as workers are not in touch with other people to follow the new trends.

Only 10% in the current survey as mentioned in Table 3 felt they were not motivated and 15% stated it as very challenging as compared to 28% who did not find it challenging to be self-

motivated. On the other hand, freelancers are struggling to get ownership of work as the work assignment they are fulfilling; clients are default owners of it as online mediated work often fails to ensure intellectual property rights. In some circumstances compensation, payment disputes issue remains unresolved, ambiguous work agreement, and many more legal and contractual barriers. Pakistan's freelancers are not facing such legal and contractual issues as 36% responded it is not a challenge and only 5% responded it is a very challenging factor.

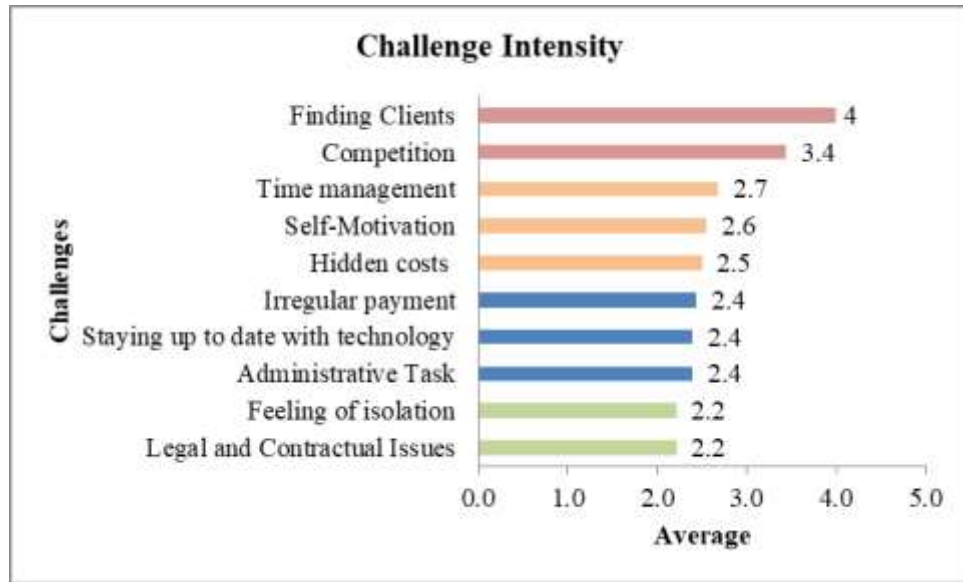
With every opportunity, there is a consequence and freelancers are referred to as being the boss of their own work. They have to bear all costs requires to buy equipment, furniture, machinery, etc often, these types of equipment are expensive. Additionally, time spent on registration, profile making, and searching for jobs is a mandatory but unpaid task (Petriglieri et al., 2019). In Pakistan, 14% reported that bearing hidden costs is very challenging, 5% found it very challenging and 29% marked it as moderately challenging, and 22% reported that it's not a challenge for them.

In online platforms benefits and ratings are depended on task completion. If the rating is good, it will increase the chance to get more gigs with better remuneration. The gimmick of this process is hidden in one central thread i.e., time management. The shackle IT infrastructure of Pakistan creates enormous barriers for freelancers with only 25% internet penetration and it is also linked with political instability conditions which made the government to discontinue the internet supply. Hence, completion of tasks on time becomes very challenging for freelancers, as 21% had reported. However, 24% found it moderately challenging and 28% responded time management was somewhat challenging.

With the advent of technology, a new form of work has emerged which is not bounded by firm or company boundaries and comes with more flexibility in terms of location, schedule, and client relationships (Ayoobzadeh, 2022). In the new form of work, independent contractors are selling their skills directly to various clients. Freelancers are finding clients via online websites such as Upwork, Fiverr, Freelancer.com, etc., Facebook LinkedIn groups, acquaintance networks, and connections, etc. It was analysed in the current survey that 34% of workers found it troublesome to find clients, 19% marked it as extremely challenging, 29% of workers responded it was moderately challenging and only 7% are not confronting hurdles to find clients. Additionally, the skill set also contributes towards the chance of being selected by the

client. The process of getting work is different from the traditional job hence, freelance has to be on their toes to get work and complete it and hunt for another gig. This process is consuming a lot of their time and workers lack sufficient time to upgrade their current skills. The data of the current study reported that they facing a challenge to stay up to date with new technological trends i.e., 11% reported this barrier as very challenging while 5% found it extremely challenging. Maximum workers responded it was somewhat challenging.

As per the ILO database, 86% of the online web-based workers wanted to do more work but they were unable to acquire it due to high competition and supply scarcity of availability of tasks. The report further highlighted that the workers living in developing countries are excluded from accessing highly paid jobs and access to work because platforms or clients put restrictions. The excess supply of workers is increasing the competition to get work and it lowers the price of tasks. This is negatively affecting the access to work, pay, and autonomy of workers (ILO, 2021). The current study has supported the argument that in Pakistan 24% of workers expressed that they are confronted with high competition and 27% responded that it is very challenging to get work. However, only 6% of the worker are easily getting the work. Another report 'Platformisation and Informality: Pathways of Change, Alternation and Transformation' identified that to stand in the crowd, freelancers are engaging in different self-promotional activities to promote their profile and update project portfolios because it plays a substantial role in the algorithmic matching process. To get into the limelight, workers are using other avenues also such as becoming active on social media, requesting former clients to give feedback, or attending training, etc. (Surie & Huws, 2023). These tasks are time-consuming almost it took one-third of workers' working time, which means nine hours per week. Thus, all reasons endorse that it is an irregular and insecure source of income. The data of the current study showed that 16% of the people responded that it is very challenging for them to get regular payments and 28% had not found it challenging.

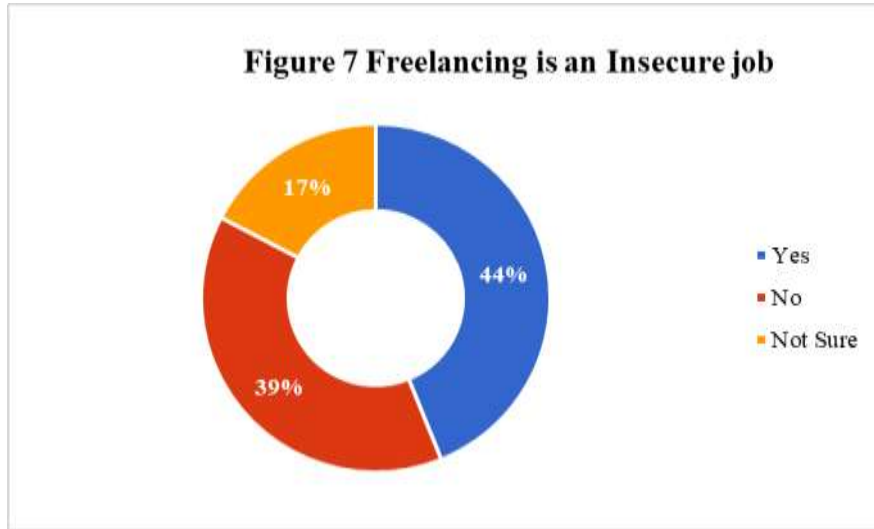


The challenges freelancers have been facing are being ranked on the basis of challenge intensity. Some freelancer consider one challenge important, while other considered it unimportant. . For them finding a client online is very challenging, followed by competition, time management, , self-motivation, hidden cost, irregular payments, staying up to date with technology, administrative tasks ,feeling isolated, , and lastly legal and contractual issues.

2. Is Freelancing an Insecure Job?

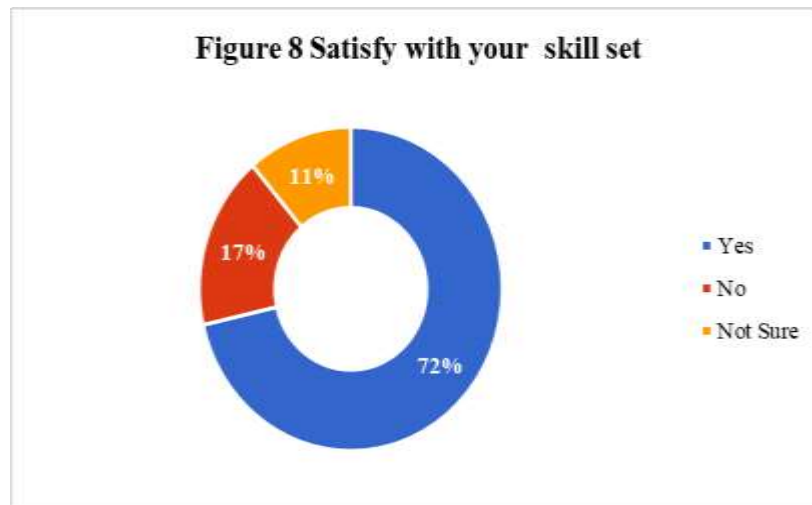
Online platform workers are often exposed to job insecurity, uncertainty, unpredictable work schedules, low wages, etc, and these factors are characterised as stressors (Hills, 2020). Due to these reasons, 44% of the freelancers in the current study consider it as an insecure job while 39% deny it. The difference between yes and no responses is quite minimal. The workers who disagree with the statement are of the view that they are not formal employees of the client. It's up to their discretion to give them more or fewer tasks as per their requirement. Freelancers are feeling more secure as compared to traditional jobs because they are not reliant on one employer (Shepherd, 2023).

Nonetheless, as depicted in Figure 7 people with more experience are less likely to find freelancing an insecure job (16%) as compared to those who have just started their work (36%).



3. Are freelancers satisfied with your skill set?

In a survey as shown in Figure 8, 72% of the workers responded that they are satisfied with the skill set they have as compared to 17% percent oppose it. Maximum people are satisfied with their skill set because most of the people are working in the same field in which they are experts or graduated.

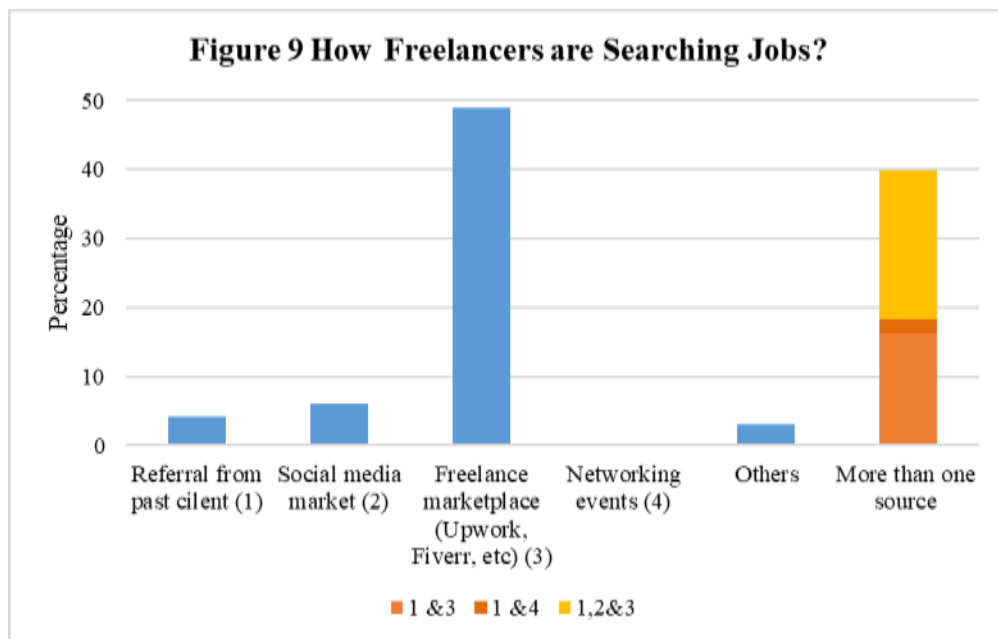


4. How Freelancers are searching for jobs?

Work is an essential and mandatory thing in everyone’s life and searching for a job is a demanding and stressful task. Problems become more worst when workers have to use social media markets and other online labour markets to search for jobs or clients (Wanberg &

Csillag, 2020). Additionally, finding work as an online worker is more precarious because freelancers have to bear the cost of insufficient demand, continuously making efforts to search for new clients, to attract more work they have to navigate and adopt complex and changing trends of platforms (Vallas & Schor, 2020).

As shown in Figure 9 freelancers are using different sources to search for clients and one of the main sources (49%) is online platforms i.e., Fiver, Upwork, Freelancer.com, and a few others. Only 4% and 6% are finding clients from the social media market and using a referral from past clients. However, no one in the survey has used networking events solely to find jobs. Aside from this, 40% marked more than one option as a source of searching clients. Twenty-one percent of freelancers are using the freelancer marketplace, former clients, and the social media market. Subsequent to this combination, 16% responded that their main source of searching for jobs is referrals from past clients and the freelance market place and only 2% are using referrals from past clients and networking events.



5. Challenges to Maintain Work-Life Balance

Working from home is provided various opportunities and benefits however, it comes up with peculiar challenges. As the freelancers are working from home and there are no work boundaries (Aczel, Kovacs, & Szaszi, 2021). Due to family and friend intrusion and distractions, it is becoming difficult for them to concentrate on work. Search for work and

completing tasks will lead to an increase in the hour of work, and overcommitting the projects (White, 2015). The stress of completing the task on time is reducing the possibility of taking breaks and time off for lunch and relaxation. The current survey highlights the same perils in Table 4, 36% of workers expressed that it is difficult for them to set boundaries between personal and work life. Ten percent reported they are over-committing to too many projects because freelancing is boundary less work and working hours are unspecified. Additionally, 8% responded that workers were unable to take sufficient breaks or time off for rest and relaxation due to strict deadlines, and 6% reported that they are unable to prioritise work or daily tasks. Fourteen percent marked all the mentioned reasons as sources of the hurdle and 26% of workers marked more than one reason as the peril of working from home such as 13% of the freelancers have selected difficulty in setting boundaries, insufficient breaks or time off for rest and overcommitting to too many projects or clients and 7% have selected both difficulties in setting boundaries and overcommitting to too many projects.

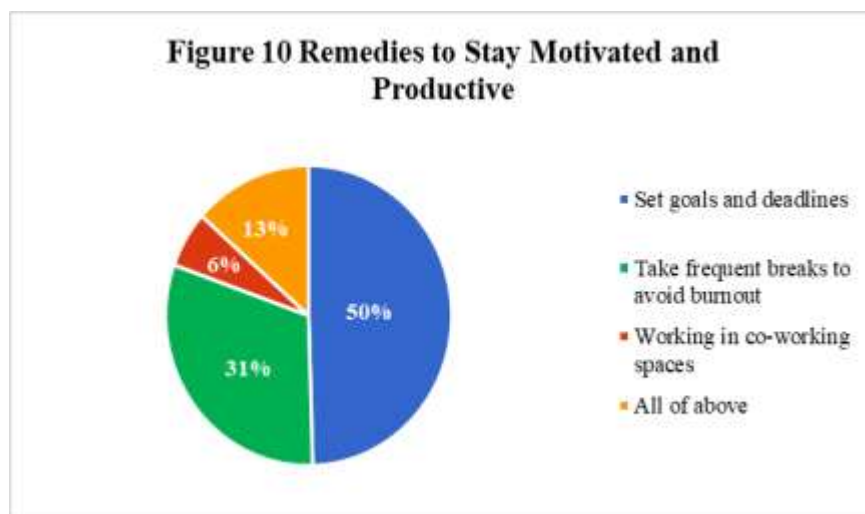
| Table 7: Perils of Working From Home | |
|---|-------------------|
| Challenges | Percentage |
| Difficulty in setting boundaries | 36 |
| Overcommitting to too many projects or clients | 10 |
| Insufficient breaks or time off for rest and relaxation | 8 |
| Inability to prioritise tasks effectively | 6 |
| All of above | 14 |
| More than one reason | 26 |

6. How Do Freelancers Stay Motivated and Productive?

Freelancers have the autonomy to do work from anywhere at any time. However, workers are facing various obstacles as they are working from home such as being distracted from family and friends, and having no coworkers to discuss and share ideas with, freelancers did not have to report managers who are keeping checks and balances and above all procrastination. In the current survey as mentioned in Figure 10, 50% of the freelancers who are working from Pakistan responded that they are setting goals and deadlines to stay motivated and productive. Deadlines facilitate workers to prioritise work and take control of their work. Over-

commitment to work, difficulty to set boundaries for clients, and deadlines are the few reasons that are responsible for burning out however to reduce its effect 31% of freelancers in the survey reported that they are taking frequent breaks.

Six percent of freelancers responded that they are preferring to work in co-working spaces because these spaces increase their productivity, and professional development, allow them to learn from other experiences, stay motivated and focused, and can enjoy a wide range of basic amenities which is available at traditional workspace such as work stations, stable internet connection, etc.

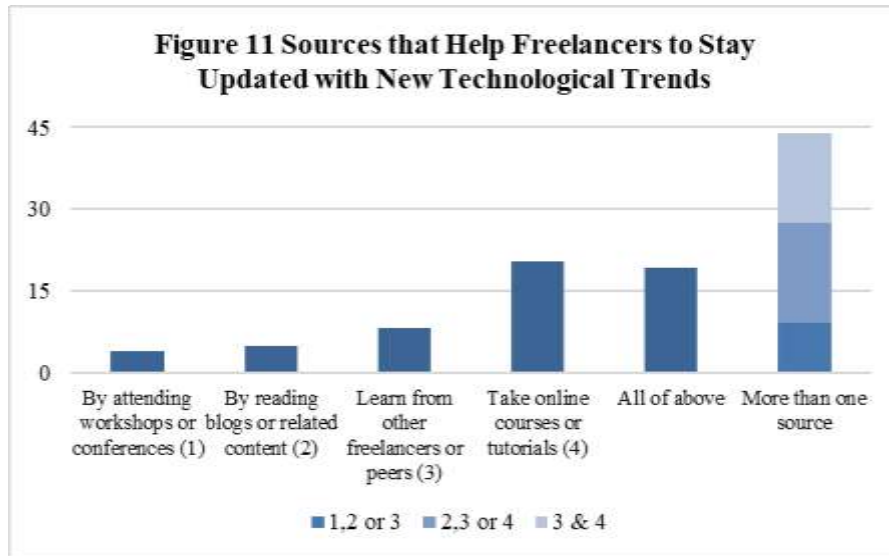


7. Sources that Help Freelancers to Stay Updated with New Technological Trends

Margaryan (2019) underlined that a wide range of freelancers opted for different Workplace Learning Activities (WLAs) and self-regulated learning approaches to stay up to date with new technological trends. Freelancers have reported that they are preferring to take free online courses, and tutorials to learn and upgrade their skill set and request others to give feedback on their work to elevate the quality of work. Moreover, it further identified the weak association or preference of freelancers to upgrade their skill sets by reading relevant literature and learning from other freelancers. They have to work on their skills to stand out in the pool of workers and compete with international players.

The current study supports the above-mentioned findings as highlighted in Figure 11: 20% of the freelancers reported that they are taking online courses or tutorials to upgrade their skill

sets. Only 8% are learning from other freelancers or peers, 5% are reading blogs and related content and 4% are relying on workshops or conferences to stay updated with new technological trends. Nineteen percent are using all the mentioned sources however 43% are preferring more than one source.



8. Issues Related to Electricity and Internet Supply Across Pakistan

Since the last decade, the freelancing industry of Pakistan is progressing and contributing an immense amount of remittances to the economy. The availability of stable internet and continuous supply of electricity is playing a critical role. Pakistan is an energy scare country and 8 to 12 hours of load shedding in summer affect the reputation of freelancers in the international market as they are unable to communicate with their clients. Freelancers have to remain active the whole day or miss job opportunities (Beerepoot & Oprins, 2021).

| Scale | Electricity | Internet |
|---------------------|-------------|----------|
| Very frequently | 19.6 | 16.3 |
| Somewhat frequently | 20.6 | 24.5 |
| Occasionally | 32 | 24.5 |
| Rarely | 23.7 | 30.6 |
| Never | 4.1 | 4.1 |

Similarly, a stable Internet connection is a plus point to earning a gig. If freelancers do not

have a good internet connection, clients move from rural areas to towns where dwellers have internet provision. As per Media Matters for Democracy, nearly half of the population in Pakistan is still disconnected from any kind of digital resources. The situation becomes worse for the freelancer in case of political upheaval. As of May 2023, the internet was disconnected for three days, and 1 million freelancers were adversely affected by this blockage. The worker could not communicate with the clients, delayed project submission, ruined the client relationship, and missed a lot of opportunities.

In this survey as reflected in Table 5, 20% of freelancers reported that are facing very frequent electricity disruption, and 16.3% confronted very frequent unstable internet connection. In somewhat frequent options 20.6% and 24.5% of workers have reported that they are facing disruption in electricity and internet connection, respectively. Maximum workers have reported they are facing unavailability of electricity and internet supply occasionally. Only 4% have expressed that they have never faced electricity and internet disruption. However, if we look at the bar charts we can deduce that the freelancers are facing more power cut issues as compared to internet connections.

Section III: Online Platform-Related Challenges

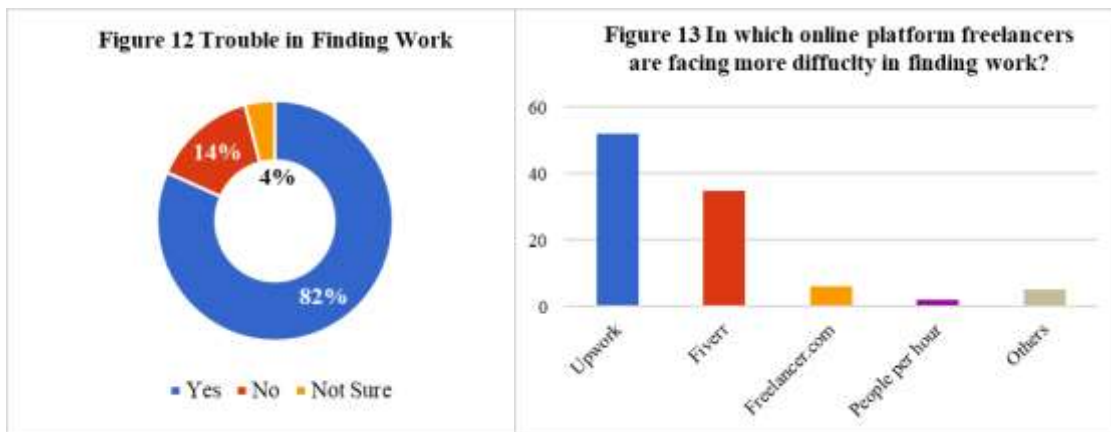
Section 3 has incorporated all the challenges freelancers are facing while working online platforms such as Fiverr and Upwork, people per hour, social media networking sites, etc. It includes trouble in finding work, payment issues, disputes, fee deduction issues, etc.

1. Difficult in Finding Work On Different Websites

One of the biggest challenges while working on digital platforms is finding work. It is the biggest challenge for the freelancer who has just joined the industry. In the current survey as shown in Figure 12, 82% of website-based workers have reported that they are confronting difficulty in finding work on different platforms. Of these, 65% are newly entrant workers and have less than 1 to 3 years of experience and 35% have more than 3 to 10 years of experience. On the other hand, 14% of workers have responded that they are not facing any hurdle in finding work. Among them, most of the respondents have more than 3 years of experience.

One of the main reasons that it has become onerous for freelancers to get a gig is the cluttering of fake profiles on different online platforms. It has reduced the chance of getting a job for the

freelancer because the client receives hundreds of job applicants for a simple admin job and it becomes challenging for the buyer to find the perfect fit for the work. Freelancers.com and Upwork have taken various measures to filter out fake and non-serious freelancers' profiles. These companies have implemented various policies such as vetting, background verification, deleting inactive profiles, checking earning credentials, etc. (Petriglieri et al., 2019). Certainly, Upwork, Fiverr, and Freelancer.com provide freedom and autonomy of work, flexibility, and efficiency but freelancers have to work hard to undertake this kind of work notably, its inconsistency, high global competition, and barriers to high wages (Popiel, 2017)



The survey depicted in Figure 13 that a maximum of freelancers (52%) are facing barriers to getting work on Upwork, subsequently 35% reported that they are facing difficulty in finding work. Few workers responded that it is difficult for them to find on Freelancer.com (6%) and People per hour (2%).

2. Online Platform Challenges: Representation of Skills, Competition, Payment, Disputes, and Fee Deduction

The focus of the current study is highly skilled digital work platforms and required complex skill sets such as software development, website formation, consultancy, data science, etc. The services provided by the workers are customised and required time to complete the task as it is mostly used for business purposes (Lin et al., 2018). Online platforms facilitate the clients to handpick the perfect fit workers and negotiate payments as per their budget. Moreover, these platforms also support clients by providing suitable workers for them as per their demands and budget. This matching process is conducted by accessing the skills of the worker which are

displayed on their profiles (Fu, 2017). In the current study as mentioned in Table 6, freelancers in Pakistan stated that platforms representing their skills accurately (63.3%) to get selected for the project, 25.5% denied it and 11.2% are not sure about the mechanism of the platform matching process.

| Challenges | Yes | No | Not Sure |
|---|------------|-----------|-----------------|
| Trouble finding work | 81.6 | 14.3 | 4.1 |
| Accurately represent your skills | 63.3 | 25.5 | 11.2 |
| Competition(freelancer offer services at a lower rate) | 83.7 | 11.2 | 5.1 |
| Payment-related issues | 43.9 | 44.9 | 11.2 |
| Dispute with clients | 43.9 | 51 | 5.1 |
| Satisfied with fee deduction | 23.5 | 70.4 | 6.1 |

The platform works as a mediated partner that connects the seller with the buyer and charges a fee for their services. It is considered as a commission of the platform and its rate is fixed for each project. For instance, Upwork mostly charges fees from freelancers and it ranges between 10 to 20% per project (Schmidt, 2017). As per this study, 70% of freelancers in Pakistan are not satisfied with the fee deduction and only 23.4% are happy with the fee deduction. If we look deep into the data, those who expressed their discontentment upon platform fee deduction are those who have less than 3 years' experience i.e., 71% and among them 48 % of freelancers are earning between \$5 to \$10, and 25% are earning between \$ 11 to > \$ 25 on an hourly basis and 28% have more than 3 years of experience. Because of low pay deduction of money at multiple steps (platform, Payoneer, bank) has reduced the incentive of the freelancer.

There is a mixed response from freelancers regarding payment as 43.9% of freelancers in the survey marked they have faced issues related to income and the same percentage of people confront disputes with clients. On the other hand, 45% of people reported that they didn't face any payment-related problems and 51% responded that they never had disputes with clients regarding payment. Eleven percent are uncertain about the issues related to payment and 5% of freelancers are not sure about the dispute in response to clients' nonpayment issues.

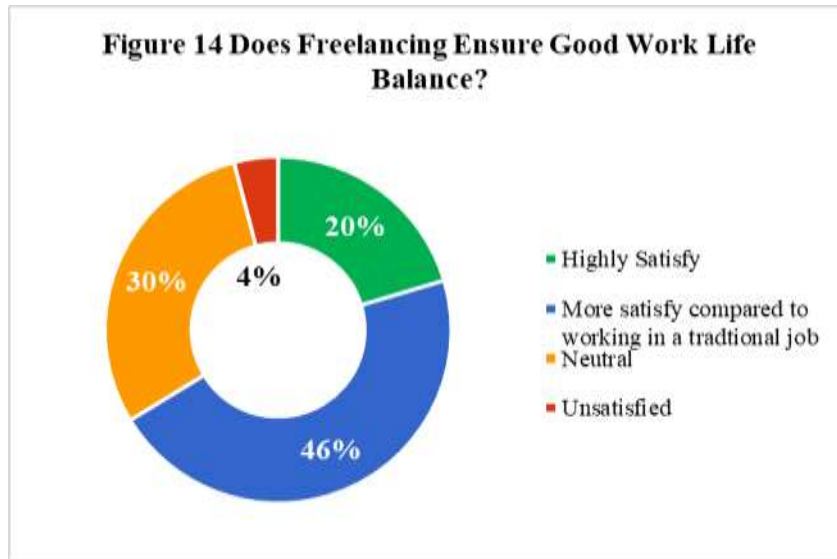
To grasp the client's attention new entrant freelancers are offering low rates which increase precarity in the digital labour market. Because buyers would exploit the freelancers to work more and get low to no pay just for the sake of rating on which their future earning is dependent, this leads to increase competition. The current survey highlighted that 84% of participants responded agreed that freelancers who are charging low prices are increasing the competition and merely 11.2% negate the statement.

Section IV: Opportunities and Prospects of the Freelancing Industry

Section 4 has addressed the second objective of the study and helps to identify the opportunities and prospects the freelancing industry is providing to online web-based workers.

1. Freelancing Helps to Maintain Work-Life Balance

In the current survey as depicted in Figure 14, people who expressed that they are highly satisfied (20%) with freelancing as it helps to ensure the work-life balance are mostly males. These participants have more than 2 years of experience and their hourly wage fluctuates between \$11 to \$25 depending on their work experience and skills. They responded they have started working as freelancers due to its high income potential and flexible working hour option. However, one of the participants expressed that he is working 10 hours a day for 4 years because he could not find a job in a traditional setting. On the contrary, 45% have expressed that they are more satisfied than the traditional job. Of these 33% are females, 13% opted for freelancing as a full-time job and 11% are working part-time because it allows flexible working hours. One of the respondents highlighted that she pursues freelancing after her marriage because her husband did not allow her to work in a traditional setting and she has been working online for 10 years. Sixty-eight percent of males in the survey marked that they are more satisfied compared to traditional jobs, among them 54% are working full time and 45% opted for freelancing part-time. One reason for satisfaction can be that these freelancers are earning more than \$6 per hour. Moreover, 30% reported that they are neutral. And only 4% marked that they are unsatisfied with freelancing.



2. Advantages of Working as a Freelancer

Young people are attracted more due to low entry barriers and immense benefits. Freelancing is providing various benefits such as flexible working hours, work dynamics have evolved and work can be performed anytime, and from anywhere, a freelancer was able to earn extra income, which facilitates unemployed people. The research on skill and employment impacts of online outsourcing work found that platform workers who upgrade their skills by practising and discovering new skills have improved their employability (Barnes et al., 2015).

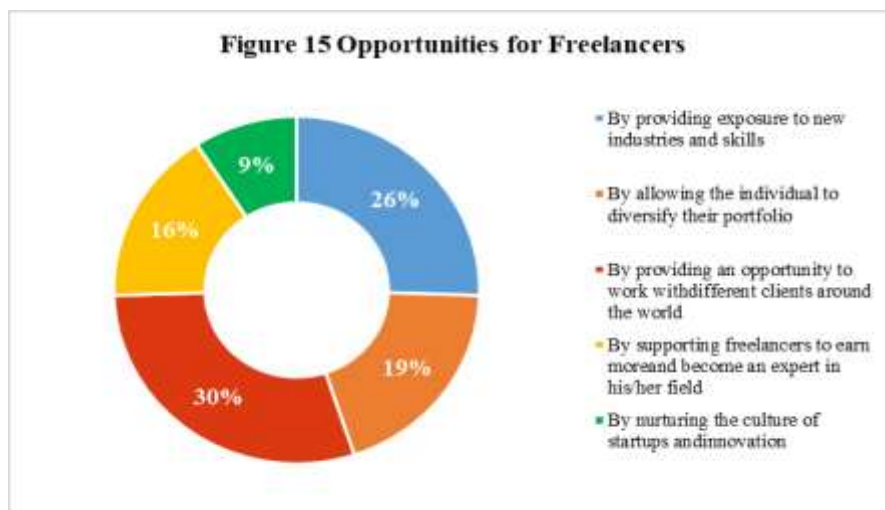
| Advantages | Percentage |
|--|------------|
| Can maintain special equipment/ studio needed for work | 4 |
| Can take care of children/ family members | 15 |
| Flexible working hour option | 17 |
| Independence | 11 |
| Pleasant Environment | 3 |
| Save travel time and cost | 18 |
| All of Above | 30 |

In this survey 17.5% has selected freelancing due to its flexi-time option, 18% opted for it to save their travel and fuel cost as in Pakistan the price of fuel has increased 50% as compared to last year, 15% feels that by freelancing they easily take care of their children and family members, 3% reported that it saves them from office toxic environment and burn out and they are enjoying pleasant working environment by doing all the work on their terms and

conditions. However, 30% have marked all the mentioned indicators are playing a significant role in opting for freelancing.

3. Opportunities for freelancers

Apart from flexibility and autonomy, freelancing is providing a wide range of opportunities to excel in the career which is generally a missing factor in the traditional working environment. The motivation behind the success requires a lot of efforts of the freelancers, they have to continuously work hard to upgrade their skills. As technology and innovation are changing the dynamic of the freelancing industry is in the brink of an eye. Freelancers learn new things every day as they are mostly working alone so they have to perform all duties solely from maintaining legal and contractual documents, dealing with clients, and budgeting. It helps them to develop soft skills which is necessary to build client relationship and interpersonal skills. Similarly, the current study highlighted in Figure 15, that the highest number of freelancers (30%) support the statement, it provides an opportunity to work with different clients around the world. Freelancers with more experience (65%) are getting this opportunity more as compared to less experienced people (36%). It may be difficult for freelancers to hunt a client outside the country or maybe they are working with local clients. 26% of workers have chosen to freelance because it provides exposure to new business ventures and skills. Of 26%, more than half of the participants have less than 3 years of experience which means they are learning and upgrading as the market is yet not saturated for them.

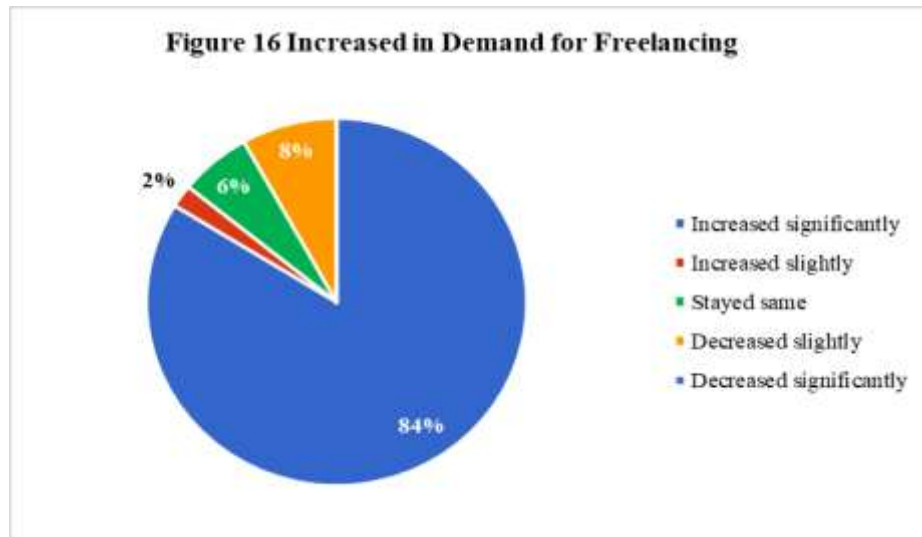


However, 19% responded that it helps them to build and diversify their portfolio by engaging

in different projects with clients all around the world. The portfolio is one of the main indicators that determine the freelancer's income and compensation and helps them to win more gigs (Kathuria, 2017). The survey of the current study reported that 16% of freelancers felt that it is a good source of income and supports them to upgrade their skill set. Among them, majority are pursuing freelancing as a secondary source of earning (part-time job) and have less than 3 years of experience which means they are in the phase of developing and polishing their skills. Lastly, only 9% responded that it inculcates the culture of startups and innovations because freelancers are working as self-employed and it urges a sense of ownership in them. Each freelancer is working as an entrepreneur who is responsible to carry out all the tasks required to run a business.

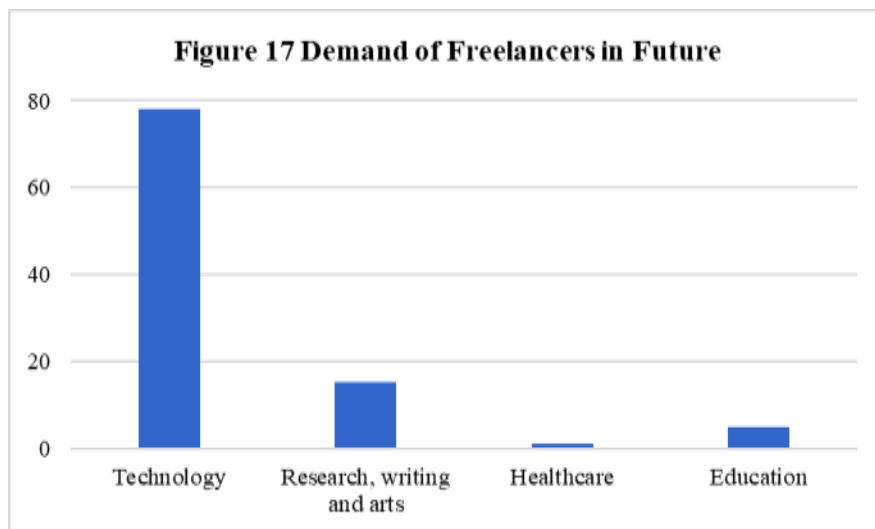
4. Is Demand for Freelancing Increased in the Last Five Years?

As per the survey, the demand for freelancing has increased over the last five years. COVID-19 has played a significant role in changing the work ecosystem. It was because of the massive layoff that people started searching for jobs online and moreover, companies also got to know that workers can be hired from anywhere in the world at cheap rates with the same qualification and skills. A new modality of work i.e. Telework has been introduced. As shown in the chart, 84% reported as shown in Figure 16 that demand for freelancing has significantly increased and no one in the survey marked that demand has decreased significantly. And only 8% responded that demand has decreased slightly.



5. Which Category of Freelancing Will Have More Demand in Future?

Brynjolfsson and McAfee (2014) have discussed in “The Second Machine Age” There is no specific and special time frame for workers to use special skills. Because these skilled workers can practice new technology to create and capture value. Similarly, there will never be any time referred to as worse for workers with ordinary or low skills because robotics, automation, and digital technology will acquire their skills in the blink of the eye with more efficiency”. Moreover, skilled intensive technological change supports only workers with advanced skills. In recent times, two skills set is gaining importance in labour markets such as higher cognitive (problem-solving and critical thinking) and socioemotional skills (emotional intelligence, interpersonal skills, etc) and ICT skills. In Pakistan as per the World Bank report, 42.4% of the freelancers are already working in software development, which is making approximately 10.5% of the worldwide freelancer in this category. This show that the percentage of Pakistani worker employed in the category is high compared to Bangladesh, Nepal, and Sri Lanka and lower than India (Nayyar, Hallward-Driemeier, & Davies, 2021)

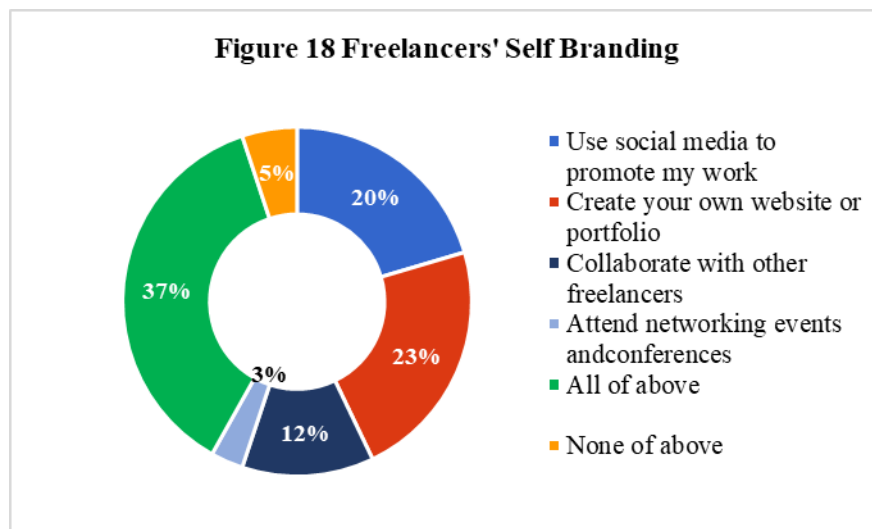


Akin to this in Pakistan as reflected in Figure 17, 78% of the freelancers perceived that demand for technological skills will be increased, 15.3% reported that research, writing, and art skill will be in demand and merely 5% felt that education and teaching-related skills will be required in the future.

6. How freelancers are marketing their Services?

The literature has identified the five main strategies to market their services such as

showcasing their skills, boosting their profile, expanding their presence, self-branding, and maintaining interpersonal skills with the clients. Freelancers normally act as a performer who moved backstage and frontstage based on their needs and situation. For example, in some circumstances, freelancers may get stuck with a problem so they moved backstage to take advice from other freelancers to improve and alter their strategy. In other situations, backstage freelancers may be involved in behaviour which means participating in virtual discussions and forums, joining communities, attending expert-level professional development and networking events, and following peers and successful freelancers on social media platforms. However, in front-stage performance, the freelancer has to change their strategy. For instance, setting (an online platform to expand presence, uses offline platforms tool to build a relationship), making use of appearance (preparing a proper strategy to display the information on the profile such as skills, photo, educational background etc), and manner (freelancer and client relationship) (Blyth & Jarrahi, 2022).



The survey depicted that in Pakistan most of the freelancers (23%) are creating their websites and portfolios. Out of 23%, more than half of the freelancers have less than 3 years of experience and their hourly wage ranges between \$5 to \$10. The frequency of workers with more experience is less who are maintaining websites or portfolios though their hourly wage is high i.e., \$6 to \$25. To prevalent the unique selling point 20% are using social media platforms and among them, most of the workers have less than 1 to 3 years of experience. 12% reported that they are preferring to collaborate with other freelancers, 3% expanding their

networks by attending workshops and events, 37% are using all the mentioned strategies to promote themselves whereas, 5% are not utilising any self-branding strategy.

Section V: Government Role and its Reforms for Freelancers

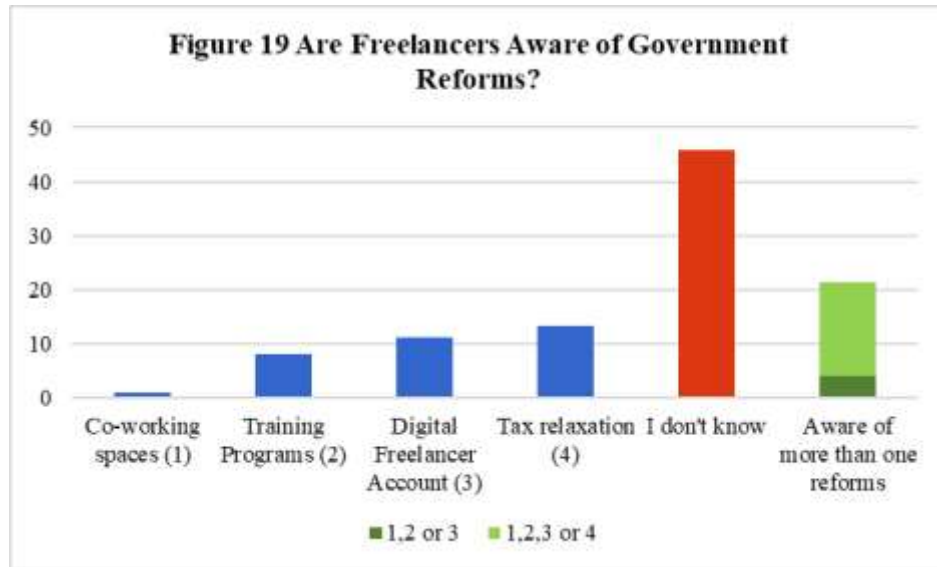
This section has discussed the efforts of the government to facilitate freelancers so that it will increase remittances and what kind of reforms freelancers need.

1. Are Freelancers Aware of Government Reforms?

To boost the IT sector government formed Pakistan Software Export Board (PSEB) in 2012 to support and develop the IT industry of Pakistan. The aim of this department is to increase IT exports. PITB has announced a co-working space to give training to 10,000 young women and men by including freelancers with different skill sets in the project (Iftikhar, 2017).

Different training programs have been introduced to impart required skills for the freelancers such as Digi skills and e-rozgar which have delivered over 500,000 pieces of training across Pakistan and 2 million were enrolled in these programs. The government launched Digi Skill in 2017 and its DigiSkills 2.0 program was initiated in December 2021. Moreover, the Ministry of Information Technology (MoITT) has taken the initiative to provide a 100% tax credit for exports from IT and gains from industries. These tax relaxations will be applicable till 2025.

The State Bank of Pakistan has initiated various reforms for freelancers such as it advised making separate records by issuing distinct heads/codes, Digital Freelancing Accounts, etc. In April 2022, a Memorandum of Understanding (MoU) was signed between State Life Insurance Corporation (SLIC) and PSEB to protect professionals of the ICT sector and freelancers from unforeseen events and risks

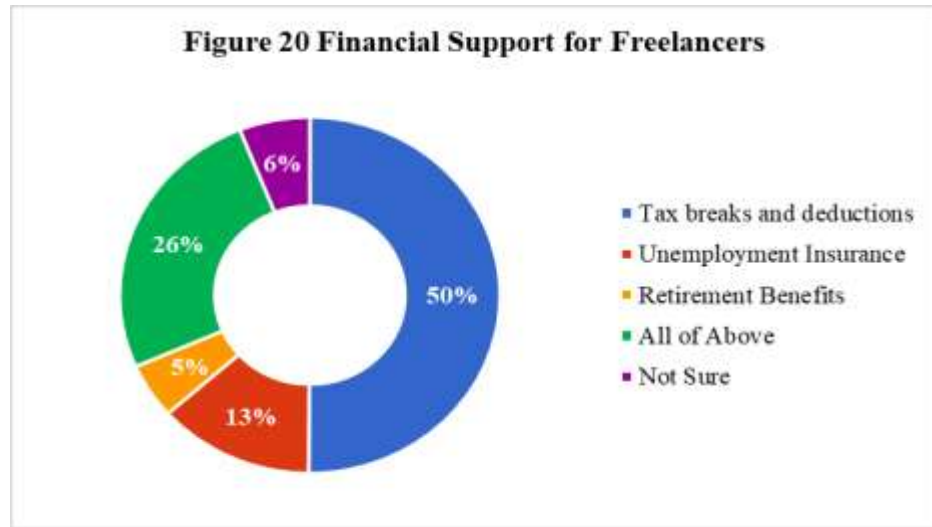


Though the government has introduced various reforms, the data has depicted that government information dissemination and sharing is poor. As in the survey, 45% of freelancers reported that they are unaware of government reforms. Twenty-one percent know more than one reform and thirteen percent are aware of tax exemption for freelancers who are registered with Pseb. The current survey highlighted that few people are aware of government training programs and co-working spaces.

2. Financial Support for Freelancers

There can be different types of financial support that the government can be provided. For instance, unemployment benefits, tax exemption, and retirement benefits. As per Pakistan Software Export Board (PSEB), the government has provided a 100% tax credit if applicable start-up conditions are met, 0.25% can be applied if freelancers are registered with Pseb and FTR clauses are fulfilled. As in Figure 20, freelancers are not aware of government reform hence, half of the freelancers are demanding tax reduction and exemptions reform as highlighted in figure 20. Secondly, freelancing is an insecure job where gig workers may win several projects in one day or remain work scarce for weeks thus, 13% of freelancers' demand partial employment benefits. Pakistan have high youth bulge but it is anticipated that in the next 30 years, the population of older people will be expanded. On the other hand, due to low job opportunities and high competition in the traditional job market, a massive number of people are moving towards low entry barrier opportunities i.e., freelancing and they are

working in bossless environments. In Pakistan, labour laws did not include gig workers as workers or employees, that’s why these workers cannot be enrolled under EOBI to get a pension in their older age. Due to this reason, 5% of gig workers want the government should make reforms to provide them with retirement or pension benefits.



3. What Kind of Government Support Helps Freelancers to be Successful in Their Career?

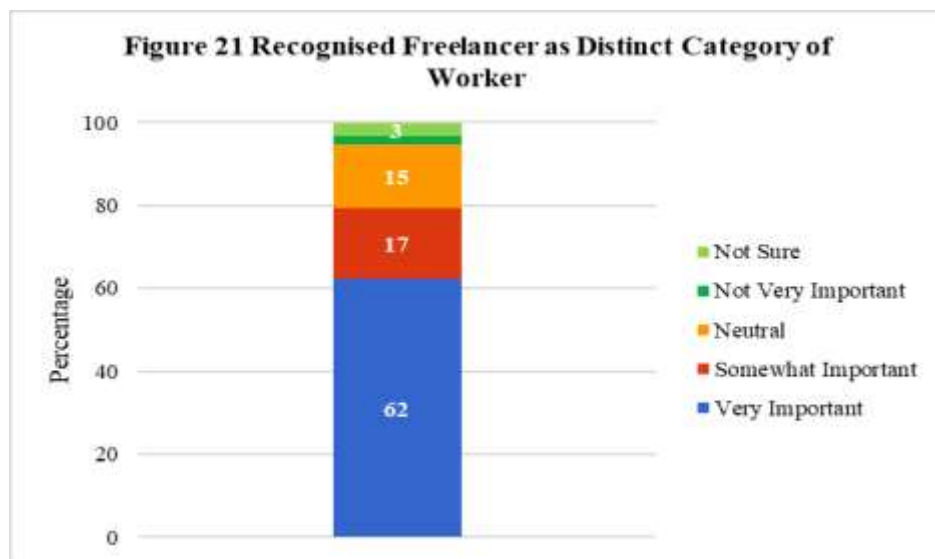
Freelancers and startups cannot be prosperous until or unless the government provides support to them. Table 8 highlighted that 27% of the gig worker want the government to legal and regulatory protection and arrange training programs for them. Sixteen reported that government should provide them with financial assistance such as loans and grants, subsequent to this 15% are demanding networking and mentorship opportunities and 11% want accessible health insurance programs. A few workers reported that they did not need government support and one of the workers mentioned that freelancers should be given all the rights that traditional workers are enjoying as they are already paying 1% tax on their income.

| Table 11: What Kind of Support Freelancers Demand From Government | |
|--|-------------------|
| Reforms | Percentage |
| Training and education programs | 27 |

| | |
|--|----|
| Legal and regulatory protections | 27 |
| Financial assistance such as loans or grants | 16 |
| Networking and mentorship opportunities | 15 |
| Access to affordable healthcare and other benefits | 11 |
| Others | 4 |

4. Is it Important to Recognise Freelancers as a Distinct Category of Workers?

The Home Based Workers Act 2018 has defined the worker as “a person (male and female) who is performing remunerative work within the boundary of their home or any other premises beyond the traditional workplace for a contractor, employer, or through self-employment”. This definition is ambiguous as it did not define the medium through which the employee is getting work because, in the case of freelancers, it is web-based platforms. The overall intent of the law is to protect home base workers who are responsible for producing goods from their homes or place located close proximity to their homes. These employees can be subcontracted or self-employed. The mode of performing duties did not involve any virtual medium. From these flaws, we deduce that there is a dire need for a proper definition of freelance workers so that they can be eligible for social protection and health insurance benefits. As the survey also reveals that 62% of the freelancers feel that it is important to recognise it in the distinct category and only 2% responded that it is not very important.



5.2. Thematic Analysis

Table 12: Themes and Sub Themes

| Themes | Sub-Themes |
|---|--|
| Theme 1: Freelancer Value Proposition | <ol style="list-style-type: none"> 1. Work-Life Balance Value (Flexibility, Taking care of children and family members) 2. Socio-economic Value (Save from inflation, Remittances, Increase in income, Job creation, Reduction in street crimes) 3. Autonomy Value (Freedom, Financial Independence) 4. Developmental Value (Training, International exposure, Startups,) 5. Hedonic Value (Motivation, Enjoy, Passion) 6. Social Value (Client and freelancer relationship, Reputation, Digital appearance) |
| Theme 2: Freelancer Job Stress | <ol style="list-style-type: none"> 1. Payment Issues (No pay pal, Payment conflict, Inappropriate payment gateways) 2. Poor Infrastructure (unstable internet connection and energy security, co-working spaces) 3. Client Colonisation (family distraction, No right to disconnect, Insecure Job) 4. Work Availability (Platform terms and conditions, Requirement of high connections at Up work,) 5. Unrecognised Worker (No employment benefits, career path, and status of worker) |
| Theme 3: Gig Wrongs: The Flip Side of the Freelancing Industry | Communication skills (low proficiency in the English language, Communication Gap, Self-Branding, low digital footprints) |
| Theme 4: Thinking Beyond the Cash Cows | <ol style="list-style-type: none"> 1. Is it a permanent solution to unemployment? 2. Is it a digital brain drain? 3. Future trends |
| Theme 5: What Should the government do? | N.A |

This section discusses the finding of the study by applying thematic analyses. It comprises five main themes and fifteen sub-themes and these themes revolve around the research objectives.

5.1. Overview of the Freelancing Industry

The respondent of the study reported that the freelancing industry has the potential to employ the unemployed and is a great source of income. The demand for skilled workforce is high and it will be the future of work as the working modalities are changing in forthcoming years.

Freelancing Market is very big and now in Pakistan e-commerce market is growing. It will be emerging. During the COVID-19 times, we are housebound and unable to go out. US and UK companies come up with a system in which employees do not need to come office. It going to be the norm. In 2030, 'telework' will be a norm. By looking at opportunities people start investing their time to learn freelancing. It is because of Artificial Intelligence, Augmented, and Virtual Reality. It will give workers a feeling that they are sitting in an office with a boss. The future will be like this as most of the time business wants to minimise their cost of doing business. There will be a lot of opportunities for freelancers in the future. If they stick to it and learn new skills, then their future will be bright. (Respondent 5)

The inclusivity in this industry is high as it observes talent and provides employment opportunities to everyone. As one of the respondents stated that

My husband did not allow me to do the job. I always wanted to do a job in a traditional workplace setting but due to restrictions, I could not go out. I came to learn about the Freelancing field back in 2013 and I became excited that I could do something in it while seating at home (Respondent 3).

Nonetheless, Pakistan's freelancing industry is attractive because of its cheap labour. Most of the clients who are living in developing countries prefer to hire from here.

In the US hiring a web developer is costly. US clients can hire a full IT company in Pakistan to fulfil the task on the same budget they would spend on hiring a US citizen. As the Rupee rate of Pakistan is near PKR 300 per dollar, so international market is attracting more towards Pakistan because we are becoming more affordable. In Canada, if you wanted to hire an

intern you have to pay them \$5000 per month and it's a fixed rate, however, from Pakistan these firms are easily hiring a full-time employee for \$12,00/month (Respondent 2).

But few people responded that competition in the freelancing industry is increasing over time due to technological advancement.

It will be difficult for freelancers to get a project with ordinary skills like graphic design and logo design due to market saturation and it is imperative to upgrade the skills.

5.2. Theme 1: Freelancing Value Proposition

Based on semi-structured interviews following categories have been formed such as work-life balance value, socio-economic value, autonomy value, developmental value, hedonistic value, and Social Value.

5.2.1. Work-life Balance Value

Freelancing allows gig workers to maintain a work-life balance and it is one of the predominant reasons to pursue it. They can manage their work along with family responsibilities. Flexi-hour is one of the imminent features which attract freelancers mostly married females so that they can take care of their families and children.

I can do work whenever I want to and freelancing helps me manage my family life with my work. Apart from this, I can save my transportation cost as fuel prices are very high in Pakistan. Even if you have your own conveyance it's still become expensive. Your money is saved and you are working from home (Respondent 8).

The modality of work for freelancers is different from traditional workers. They are not time bound as most of the workers prefer freelancing as part-time job to increase their income. Freelancers are working in boss-less environments hence, can take breaks and time off whenever they want to

Due to its flexibility, we can make the schedule as per the projects. We do not have to do work 9 to 5 for 5 days a week. Another freelancer responded that you do not have to work a full day and you can take mid breaks (Respondents 6 and 7).

All the multi-national and cooperate companies are encouraging work-life balance. Overtime

work and longer working hours affect the personal life of the worker and negatively impact the productivity of the employee. Work-life imbalance resulted in stress, an increase in absenteeism, job turnover, and parenting problems (Greenhaus et al., 2003). On the other side, work-life balance uplifts employees' job satisfaction and performance (Hobson et al., 2001). That's why work-life balance value is a main indicator among FVPs and EVPs.

5.2.2. Economic Value

One of the significant dimensions of EVP is economic value. Using under-utilised resources by sharing and renting them out will bring economic benefits. Similarly, in online work skills and spare time can be utilised to bring financial incentives (Jiang & Iles, 2011). The optimal and efficient utilisation brings economic incentives. It will be a win-win situation for both client and freelancer as the buyer gets a perfect candidate and in turn, the seller receives a payment. The benefits freelancers are getting in exchange for work are providing a cushion toward inflation. Freelancers observed that most of the sellers on Upwork and Fiverr are Pakistani and they are looking for employment there. In Pakistan, there is high inflation (double digit) due to economic crises and it's a good opportunity for gig workers to earn money.

It increases my income and helps me to improve my skill. As our income is in dollars and we are protected from inflation (Respondent 7). Freelancers are saved from inflation. The people who are earning in the rupees are suffering as compared to those who are earning in dollars. Freelancers will not be affected this much by it (Respondent 5).

People who are working online part-time are optimally utilising their time and skills to earn more income. The incentive they are receiving is high compared to their regular jobs.

Only from 2 to 3 projects (part-time), I could easily earn an amount equal to my current regular job (Respondent 4).

Additionally, it is generally accepted that government jobs are more secure than private sector jobs. Because it provides different benefits and secures your old age. To get all these perks workers have to work 50 to 60 years. Whereas, the freelancing industry provides a variety of opportunities and allow freelancers to diversify their portfolio. Freelancers can learn different

skills such as e-commerce, social media marketing, web development, etc. They can learn and earn by acquiring multiple skills. Each new skill can act as a new income generation stream. This helps freelancers to earn an income soon that is equivalent to old age benefits before reaching the age of retirement.

Freelancers will achieve financial independence in a time of 10 years and they do not have to wait and work for 50 to 60 years (Respondent 5).

The freelancing industry is providing a wide range of benefits not only to individuals but also contributes to the economic growth of the country. Due to unstable economic conditions, the government is unable to create employment opportunities for young people. Hence, freelancing is a blessing in disguise as generates employment. It will improve the standard of living and reduce street crime which is increasing as a result of a perpetual increase in inflation. It will involve youth in meaningful activities and protect them from being engaged in social evils. In a nutshell, it has an eclectic impact on the economy in the form of remittances, job creation, and an increase in purchasing power.

The freelancing industry earned \$400 million in export remittances in 2022. Currently, Pakistan is facing an economic crisis and if the country gets more dollars then it will be beneficial for them. With the support of the government, this industry will fetch 8 to 10 billion in the next five years (Respondent 1)

We are contributing to the economy in a way that whatever we earn we do not keep it safe but we invest in development work (Respondent 7)

5.2.3. Autonomy Value

Autonomy means a person has the power to decide where, when, and how he/she wanted to do work (Fornes et al., 2008). The literature supports that a high level of autonomy at work will lead to a high level of job satisfaction. Gig workers are enjoying more autonomy and flexibility as compared to regular employees. Spreitzer (1995) identified that autonomy is one of the main sources of motivation and enhances workers problem-solving and critical thinking. The main determinant of job commitment is dependent upon work autonomy, however, less autonomy in work leads to lower job satisfaction and frustration (Bredillet et al., 2015).

You are free from the office environment and culture. No one micro-manages you. It's like freedom. You can do work whenever you want to. Fiverr allows us to complete our work in 3 days. In a traditional job, your boss can order you to complete a poster within 10 min, or in some situations, you will receive criticism on the spot. But clients on platforms are sophisticated and courteous. They appreciate your efforts (Respondent 4).

Work independence and no restriction on work are one of the indispensable indicators of FVP. Freelancers are self-sufficient, autonomous, and independent. They are not liable to follow any dress code, working time, and hierarchy culture. But sometimes, it increases their stress because they have to learn and implement all the things by themselves.

I am my own boss, and sometimes it increases our burden and stress but by the end of the day, it makes us happy that we are not working for someone else but for ourselves (Respondent 7).

Moreover, it empowers them to switch the client or jobs whenever they feel uncomfortable. They are not compelled to work with one client who is reluctant to understand their point of view and concerns.

There is no leg-pulling and toxic work culture, instead a pleasant environment. You are not answerable to anyone. You can discontinue your employment terms with clients at any time which offline workers cannot do hastily (Respondent 8)

5.2.4. Developmental Value

It refers to "the attribute of a job offer which attracts the individual because it provides confidence, self-worth, and recognition along with a career-enhancing experience and provides to upgrade skills to get future employment" (Bethon et al., 2005). Developmental values showed that people prefer those jobs that allow professional development. Jiang and Iles (2011) found that developmental value is one of the most dominant indicators that attract workers and employer-based brand equity (EBBE), means workers give more weightage to those companies that offer professional and career development and opportunities to develop skills. Employees are evaluating their perspective job or employer based on opportunities for career growth (Sengupta et al., 2018). In the freelancing industry, with experience workers' income and work increase and they have to expand their network and make a proper team. As

per respondent 5, he was doing work single-handedly in 2019 and then he partnered with two more people. We started getting more projects so we had to hire more people. Right now we are 80 people strong. Currently, 3D modellers and interior designers, web designers, web developers and accountants, and charter accountants are working with us. He further stated that in Gilgit we have a cluster of startups just like Silicon Valley, we have a lot of startups, and freelance companies and they have more than 100 employees.

We are upgrading our skills initially our company was doing illustration and later we moved to NFT by providing training to our web developer.

Freelancing is providing us with an opportunity to meet people from different regions and learn from them (Respondent 6)

It broadens our exposure we interact with people who are living in different areas of the world. I made several friends from Fiverr few of them are living in Switzerland and other European countries. One of my freelancer friends is Spanish, I am guiding him about Pakistani culture and learning the Spanish language from him (Respondent 4).

Developmental values are essential for freelancers. It encourages freelancers to participate in gig work. The online platforms support web-based workers to develop not only technical skills but also allow them to meet people who are living in different countries. As per Jaw et al. (2007), developmental value and motivation are directly linked with each other.

5.2.5.Hedonistic Value

Halbrook and Hirschman (1982) have introduced the hedonistic value which can be defined as the satisfaction of the consumer that is related to the multi-sensory fantasy and emotive aspects that gain after product usage. It also explains the perceived benefits of excitement, enjoyment, and pleasure which is the consumer experience while using the product or services. From a marketing point of view, hedonic value has a deep impact on the consumer purchase and its use (Kazakevičiūtė & Banytė, 2013). Similarly, freelancing is also the exchange of services both get benefits out of it. If the work makes them feel happier it will increase their productivity. Motivation and passion vary with the person's preferences as

I started freelancer with a laptop for PKR 2,000 and now I bought a PKR 1.5 Lakh set up from

my freelancing earning. It does motivate me and I will continue (Respondent 4).

The research assistance work motivates me which I used to do for Ph.D. and MPhil students because I learned a lot while completing these projects.

Nuhn & Wald (2016) highlighted that enjoyment is considered one of the significant motivational factors in various economic platforms, mainly informational sharing, and socials.

5.2.6.Social Value

Social networking is one of the essential needs of human beings. People always care about social values, norms, and status as humans are social animals. Their status, reputation, and image is an important factor in their peer groups and incites life satisfaction. Above all reputation is an important motivational factor that increases the level of participation on information-sharing platforms. Additionally, reputation on the online web-based platform positively affects the behaviour of editors and content writers. In sharing economy, connections can be built easily within and outside peer groups. Reputation and connections are fully dependent on trust. It is one of the fundamental factors that increase your liability online on platforms.

The client and freelancer's relationship is like a doctor and patient relationship. You always visit that doctor whom you trust and know for his/her expertise. Similarly, if you build that trust with a client he will always prefer you (Respondent 4).

It's mandatory to show your presence on socials. When I started sharing a small post on LinkedIn. My profile starts receiving more views and impressions. A few days' back client offered me an internship by looking at my post. Clients start approaching you by themselves (Respondent 8).

5.3. Theme 2: Freelancer Job Stress (FJS)

The interviews also help identify the themes and including payment issues, poor infrastructure, boundaryless jobs, work availability, and unrecognized worker.

5.3.1.Payment Issues

Three main payment issues arise i.e., no payment gateways, exploitation, and people paying

low wages to subcontractors. Freelancers are receiving income in dollars and a lot of their income is deducted while transferring to an account. For instance, if you have a \$30 project, Fiverr deducts \$ 5 to 6, and Payoneer deducts \$3 for each transaction either your project amount is \$ 20 or 1000. You will receive \$21 for the project of \$30. This mechanism is increasing the vulnerabilities of new freelancers as most of them are earning less than \$5 on each project.

Payment gateway is one of the biggest challenges for freelancers, even if you get a good project on some platforms, you do not have a proper payment method and you have to look around for different ways to receive the hard earned payment

Platforms say they can only transfer income through PayPal, Payoneer deduct fees, and credit cards cannot be used internationally. Whichever platform you use for transactions it deducts a lot of fees (Respondent 2).

We need PayPal in Pakistan because it's a one-time deduction. There are some remote jobs outside Fiverr and Upwork and, they reject us because employers only transfer money through PayPal as it is not operating here (Respondent 6).

Besides this, it is difficult for freelancers to open a bank account in Pakistan. Freelancers are doing small projects or getting employment for a shorter period. No freelancing platform is issuing any appointment letter. It is difficult to open an account for freelancers because banks demand an employee offer (appointment) letter or source of income to open an account and a lot of banks do not even have knowledge about freelancers.

Pakistan Freelancing Association has discussed this with the government now the State Bank of Pakistan has initiated a few new reforms such as a digital freelancer account (in the last 6 to 7 months). Now freelancers can open their accounts while sitting at home (Respondent 1).

To win the first project is extremely difficult for new freelancers due to competition and clients are hiring people on the basis of review and ranking on their profiles. If freelancers are failed to crack their gig, they ended up looking at the local market for work, it is full of Precarity. These people refer to middlemen or subcontractors who take projects from online platforms and hire people from locally.

Firstly, these middlemen only pay us 20% and retain the rest of the amount in their pockets. I

search for projects in the local market such as Facebook or other social media groups. If I write an article of 2000 words they are paying me PKR 3,000. Some people are very greedy and reluctant to pay us for our hard work for instance, if I write an article of 4,000 words and sometimes they pay me only PKR 2,000 (even if I added images in blogs). I believe that something is better than nothing (Respondent 3).

Secondly, sometimes, we did not get paid for our work. To protect from this theft, I never share the original final. I add watermarks, share screenshots, or share the plagiarism file.

Thirdly, if the student failed in the assignment which we have worked on then we have to refund the amount or revised the whole document. Sometimes, if students did not approve our work we would not be able to get our payment.

The middlemen responded to this question as they have to invest a lot of money to get projects.

We have to buy Connects on Upwork to get projects and the platform deducts a 20% fee, and afterwards, Payoneer deducts the fee, and then the bank deduction. In this whole process, 10 to 12 dollars is deducted from the salary. Still, we pay them a market-competitive salary.

5.3.2. Poor Infrastructure

The second biggest challenge freelancers are facing in Pakistan is related to an internet connection. Online work cannot be performed without the Internet. This issue is prevalent in Pakistan and not related to some specific region or area. Along with the internet, freelancers need electricity also if they have internet and do not have power then they are not able to connect to our system power. Internet connection problem can be occurred due to internal issues in the country or sometimes the government blocked internet connection which affects freelancers badly. Most of the freelancers reported that the internet blockage in the month of May has affected them badly not only in terms of money but in terms of reputation also. As it ruined the image of the country in front of clients and they will stop hiring people from Pakistan because they may think in this country there is always an unstable internet supply or unrest situation.

In the month of May, the government blocked the internet which has affected me badly as I am working in the social media market. I am not able to do anything to complete my projects

during those days.

I am not able to deliver my work due to an Internet blockage for three days. I tried a lot but could not complete it and at last, I skipped that project.

Sometimes internet signal is unstable. No matter how much you have paid for the connections.

In Gilgit, the infrastructure of internet connection and electricity supply is substandard. The Internet is very controlled in Gilgit. Ascom is doing a good job but it is not helpful. Moreover, there is no electricity in our region. We have only two to three hours of electricity in the whole day. To access full-day electricity, we have to use a generator and solar panel.

5.3.3. Client Colonisation

Deetz (1992) has introduced the term corporate colonisation and explains the workplace culture and norms that intrude the family life by creating needs, moulding aspirations, and controlling or dictating the use of time. But client colonisation is a broader term in the context of freelancing which means that workers prefer to choose work over the family by keeping that it is an insecure job and promptly act the way clients want them to do.

Freelancing has one of the distinct features that it facilitates people to maintain work and family life balance. Working from home can sometimes increase stress levels due to continuous family distractions and client pressure to submit work. It affects married females more as they are unable to meet deadlines and give more time to their profession to upgrade their skills. As one of the respondents shared that

It is difficult for the married female to do work from home as there is no boundary and they have to take care of their children and sometimes guests also. We are not able to manage time properly. The client is continuously demanding his/her project but how can we complete it “Udhar se mehman aien baithay hai, wahan se bachay tang kar rahe hain upper se husband k demandien”.

COVID-19 has changed the working environment and it also allows governments to understand the perils of working from home. One of them is overtime work and employers' requirement to work beyond working hours. To address that risk most of the developing countries have introduced 'Right to Disconnect' laws which allow employees to switch off

their phones or not to reply to their employers after working hours. These laws are for teleworkers, however, freelancers are adversely affected by client exploitation as they are asked to complete or revise the work without bothering about the timings. Freelancers are stressed to manage work and non-work commitments and in that situation work always wins and clients' demands always override the other commitments i.e., client colonisation (Gold & Mustafa, 2013).

In a traditional job, there are boundaries and limits as after working hours, your boss rarely contacts you for the work. However, online work clients never thought about timing whether it is a mid-night or early morning they contacted you via WhatsApp. In an online job, your WhatsApp is like your office.

In traditional jobs, 9 to 5 jobs, and employees leave the office at 5 pm either their work is completed or not but freelancers have to submit a complete project to the client there is no time limit or boundary. Sometimes Client gives us a time bracket of 8 hours but due to electricity and internet issues, we submitted it after 16 hours or the next day.

I do not like to do work on weekends because I have to look after my family.

It is imperative to have specific working time to create a balance between family and work life. Many workers wanted to create a boundary between work and family life but even if they are not working still they cannot stop themselves to think about the next job (whether they will have it or not). This anxiety not allowing freelancers to maintain the balance and hence undermines the boundaries.

5.3.4. Work Availability

The web-based platforms are acting as mediating interfaces which are connecting freelancers with the client by charging some fee. These websites are solely responsible for providing work to gig workers. The websites have different terms and conditions and all the participants are bound to comply with it. All the jobs on online platforms are unique unlike traditional jobs where workers know that they have to do this job for their lifetime but in freelancing, gig workers have to adapt. These platforms have unique terms of employment and if freelancers violate them they blocked their profiles. Online gig workers are at the mercy of Upwork and

Fiverr. For instance

Because Ukraine-Russia war, these platforms deleted the profiles of Russian freelancers without telling any reason. Russian freelancers are jobless and they have no work.

Schor et al. (2020) highlighted that the flexibility and precarity of platform workers are different for all freelancers depending on their circumstances. Freelancers whose main source of income is through the platforms are more stressed and express that it is an insecure job and experience more pressure to accept job assignments. On the other hand, workers who are considering it as the supplemental earner expressed that they are more satisfied with their work and describe that it earned from platforms acts as a safety net (Glavin & Schieman, 2022).

Freelancing is an insecure job and we do not know if we will get a job when this contract is ended. We are in stress that if this project will be ended then what's next?

We are uncertain. For instance, you are earning \$1000 in one and maybe you are not even earning \$200 in the next month. It is difficult to find clients on Upwork because of competition. To win a bid on Upwork is dependent on luck Mehreen was highlighting the vulnerability of freelancers as it is totally dependent on luck that client reviews your profile due to high competition and approaches you for the work. To apply for the projects, it is important to have connections

Some clients bid so high and it requires more connections. To get the project it depends upon how many connections we have and some people set their hourly income low to stand out. If there is a project that 100% matches our skill set, we bid on that no matter how many connects we have to lose and we do not compromise our hourly or fixed rate on it.

The question was asked about what are connections and the interviewee explained that we need connections to apply for the job on Upwork as it acts like you have a balance in yours to make a call. When we join Upwork you have to appear on the test and it is comprised of 100 marks (40 questions). In return for that test, we get 40 connects. Different jobs require different connections. If each job you are applying for requires 8 connects then it means you can apply for 5 jobs.

If freelancers used all 40 connections, then they are not able to apply for any job in Upwork.

Afterwards, they have to buy new connects and for each dollar, workers can buy 10 connections. Upwork is providing 10 connections per month to all freelancers. Now in June 2023, Upwork has changed its policies, and freelancers have to forego 18 connects on each project and could buy 6 connects on each dollar.

Access to the work on the platforms is now independent of skills, education, and reputation because now it's totally dependent on the work's financial capacity to buy connects. These reforms pose an entry barrier to people who are living in developing countries because they do not have much financial capacity to bid on an international platform. Hence, it will result in de facto discrimination against dwellers of low-income countries (Rani et al., 2023). Accessing the work on Upwork will be more expensive for Pakistani freelancers because the rupee value is continuously depreciating.

5.3.5. Unrecognised Worker

In freelancing, the career goals are defined which is necessary for personal development and growth. It increases their stress. In an offline job, the status, occupation, and hierarchy of job promotion are defined.

No clear career path. In offline jobs, employee growth and career progress are defined. You can easily set the goal that you will achieve. You can switch to the relevant field. But in online jobs, you will have a badge such as top rated, top rated plus which is defined by the platform as per your work performance. The platform itself set a generic goal for each freelancer.

On the other hand, people who are working in a traditional working environment are liable to receive employment benefits but gig worker income is based on projects. They are unable to enjoy long-term benefits and paid holidays. This factor is increasing stress for the freelancers who are pursuing this as a full-time job.

People are preferring government jobs because they will get a retirement plan and health insurance and all other employment benefits. In freelancing, we will not be able to enjoy these benefits.

If government properly regulates this sector and adds it to some categories will be beneficial for them. For instance, all the banks of Pakistan are offering different programs for

employees, let's say car finance (HBL car finance or UBL car finance), PM housing scheme all people fall under some category but freelancers are deprived of it. They did not belong to any category and freelancers could not apply for any subsidized program launched by the government. (Mere apne dost gaye PM housing scheme mn apply karne k liye aur wo wapis agaye kyun keh wo kisi khate mn nahi ate).

This is not just a long-term benefit i.e. perks, health insurance, pension, gratuity, subsidize education, etc. from which freelancers are deprived but as they not falling into any category these workers are not able to apply for any program instated by the government.

5.4. Theme 3: Gig Wrongs: The Flip Side of the Freelancing Industry

One of the important factors that ensure access to work is a worker's reputation on the platforms. It is reducing the client's risk of hiring someone whom he will never meet in person. The framework that is used to build the reputation revolves around reviews, ratings, comments from previous clients, and feedback. To acquire the first project freelancers are subsidizing their work or sometimes they have to work free of cost.

Initially, newbie freelancers have to work free of cost to get a ranking and rating from the clients on their profiles. Sometimes, you have to work at a low cost. I worked free of cost for 2.5 months and most of the time freelancers are doing that. Conversely, in a traditional job, you will get paid regularly even if you are just graduated and have zero experience.

I struggle a lot to get my first project on Upwork. I used all my connections in a day and stay idle for the whole month. This year, I did a lot of research, learned how to write a good cover letter and how to approach a client, and then, I won my first project in the same month I rejoined Upwork. You have to stay active the whole day in Upwork to earn a project.

Respondent 4 shared that he joined Fiverr in 2016 but he couldn't get his project and used to work for sub-contractors and he win his own first project in 2021. He responded to the question what specific thing you did do that you were able to win your first project in 2021? *I did a lot of research and SEO.* For instance, if a client writes a book cover design in the search bar he could see the top 10 sellers on the first page and he mostly finalised the seller on the basis of rating from that page. If you properly do research and add good keywords which are unique and few people are using them then your probability to win a project will be high

(*buhat ziada log us per service provide na kar rahe hon*). He further explained with an example

If I write only book covers in the search bar, it showed 100,000 people who are providing service on it but when I search for professional book covers, it may have shown 10,000 freelancers who work in this field. It increases my chance to get selected. (Good gig image, research, and unique and relevant keywords play a significant role to access the work).

Freelancers who are new to the field are finding it difficult to grasp a client because they are unaware of platform gimmicks. Respondent 8 highlighted that

How to grasp a client is tiring work? Freelancers do not have good communication and marketing skills. Potential freelancers are either ejecting the market or exploited by the people who are outsourcing the work (paying low wages).

Freelancers are giving the least importance to social media appearance and communication skills which are increasing problems for them to get a job on web-based platforms. As English is not our native language so Pakistani freelancers are facing difficulty to communicate with clients in English and understand it.

Firstly, freelancers do not have exposure to these soft skills and are not taking them seriously. Due to this issue, they are not able to land any project.

Secondly, Freelancers have a low digital footprint and their portfolios are not properly managed.

To be employed on a web-based platform, it is not wise to just rely on Upwork and Fiverr bidding, the freelancer has to be active on other social media platforms and attend exhibitions. The more you get visible, the more you will get the projects.

In Pakistan, Pakistan Freelancing Association (PFLA) is working for the betterment and well beings of freelancers. It provides a platform for freelancers where they can share problems related to their skills and assist each other and find solutions. Mainly it supports freelancers to address the issue they are facing while completing complicated projects. It communicates the problems of freelancers to the government in a collective manner. PFLA is a volunteer organisation and has no funding sources. It is also providing mentorship to the freelancers.

The total number of freelancer who registered with different platforms are 3 million only 1 to 1.5 lakh freelancers are active (working daily) and 75,000 are registered with PFLA.

Now in the era of technology and the internet, it is easy to acquire any skill by watching videos and taking online courses. Now self-banding is the biggest skill.

Now the biggest problem is how to sell the skills such as graphic designing is a skill but to sell that skill is also a skill. There is some fixed standard to sell the skills and it can be taught through mentorship. PFLA is offering free-of-cost membership and anyone can come and ask for help.

The skill signalling displayed on worker profiles is playing a crucial role in the hiring process. The workers belonging to developing countries are confronting the concerns of clients who mostly belong to developed countries. Agarwal et al. (2016) stated that information impediments on freelancer's profiles belong to low-income countries for instance limited details about the previous employer and educational background are posing a high risk for hiring people. Huang et al. (2019) identified that there is a segregation between people residing in developed and developing countries on the basis of occupation. Freelancers who are citizens of developed countries are performing high-paid and complex such as content writing, and creation, and in developing countries people are doing low-end and low-paid tasks which include data collection and access.

During conducting a semi-structured interview for the study two reasons were highlighted by the expert which is responsible for our low skill base i.e.,

1. *Freelancers are usually watching videos on You Tubes of less authentic people whom themselves are not properly trained. Therefore, those freelancers have ruined the image of Pakistan by delivering low-quality work and now international clients are reluctant to hire Pakistani People. Even clients have written in their job descriptions that **Pakistani citizens better not apply for the project.***

2. *Some people have started private institutes and offer different freelancing courses but they are not giving importance to quality as their main motive to earn money. These people do not have a license to run an institute. They waste the time and money of*

young people.

5.5. Theme 4: Thinking Beyond the Cash Cows

The freelancing industry of Pakistan has the potential to absorb the youth bulge of Pakistan. The most alluring side of the freelancing industry fascinates everyone i.e., earns remittance and plays an important role in boosting the economy. Most people perceive freelancers as cash cows because they will provide benefits to the economy for a longer period of time. However, with all benefits, there are consequences and three main sub-themes have been identified in this study i.e., is it a solution to unemployment? digital brain drain, and future trends

5.5.1. Is Freelancing a Permanent Solution to Unemployment?

All the participants respond against it. They believe that freelancing can be a side gig. It is the first step and after that, workers will have a lot of other opportunities. One cannot pursue freelancing for the rest of their life. *It is a high-risk job and freelancers will be unemployed at any time.* It can be a supplementary source of income and platform dependence will elevate vulnerabilities

There is a risk factor in each job but freelancing work is based on two wires (fibre optic) and it can be damaged or disconnected at any time.

Freelancers should utilise their earnings to invest in their education and real estate business. They should have multiple streams of income. If not, then they will become tense. The job market is transitioning and you never know when it will become complex and it will be difficult for you to earn income hence gig workers should be prepared.

To earn from an online source requires a lot of energy as freelancers start losing their energy and stop upgrading their skills, it becomes difficult for them to earn. Syed Ommer Ameer is an instructor and highlighted that their institute has trained 40 to 50 students in blockchain (NFT) and all of a sudden Artificial boom appeared and everyone nodded their heads towards Chat GPT. Because of this blockchain market vanished within the period of six months. Those graduates who thought that they would pursue blockchain as a career is in plight. In tech, the changes in trends are very fast and it is very hard for people to catch up with the latest trends.

You need to upgrade your skills to stay in the limelight in gig work because It is very difficult

to get a project with ordinary skills, like graphic designing and logo designing due to market saturation.

The secret of staying employed via using mediated platforms is only hidden in new emerging skills such as scraping the data and building dashboards from it, Artificial intelligence projects, etc. Freelancers who have these skills could easily get \$4,000 to \$5,000 projects. Because competition is less and the chance of winning the bid is high.

One of the respondents highlighted that freelancing can be a quick solution to unemployment and helps to start a business. It supports people to start their own business because within 2 to 3 reputation of the freelancer will be recognised and they will be receiving more project offers to fulfil that need they have to build a team and then transform it into an agency model.

5.5.2. Is it a digital brain drain?

Brain drain refers means qualified, skilled, and trained people who migrate or emigrated from one to another where working conditions and pay are better. By keeping this definition in mind, it can be a risk in the future that when the bulk of competent young people dishearten by the traditional market, may find ease during work digitally. Though it will increase remittance, in the long term country will be despaired of creative and innovative minds. The response of participants is mixed few agree that it is brain drain and few defended their point and negate the statement.

Pakistan is home to the third largest freelancing country in the world and it blooms after the government laptop scheme. Respondent 2 highlighted that a few organisations like Ignite, KBIT, etc. have launched freelancing training programs. In the last 5 to 10 years, we noticed the outcome of these programs in the form of massive registration of IT companies. As the work of freelancers expanded, they start hiring more people. So this single-handedly operated framework turns into an agency model and these freelancers build their own company.

It's not a brain drain but it is generating good value for money and it is helping to build an IT infrastructure.

Pakistan has good developers and they are fulfilling the needs of the world previously they were working in a hard environment and their pay is also low. Now they are working from

their homes and earning a decent amount. Before the boom of freelancing people have to go abroad and earn a handsome amount and sent dollars back home. Now freelancers are earning the same income by seating at their homes (Toptel and remote base the job posted there have an average income of \$10,000).

He responded to the question: Is money all we need as a country? as

We need to sustain the company first and then we will make products. Deaf Think is a big company that set a target to hire 1,000 people this year, System Limited is operating in three countries. Pakistan IT company are emerging and a few of them is also listed on the stock exchange. We need investment to make products and it only be generated through start-up. Our entrepreneurial ecosystem and venture capital are still in the nascent phase and it will take time to evolve.

Freelancers are confronting challenges when they wanted to work for the government because the environment is nonconductive. It becomes difficult for them to contribute to developmental projects and use their skills for the betterment of the country.

The government is asking us to submit a tender for their work and we do. But they take more than 5 months to process. The government objects to our proposal by saying your budget are too high (Respondent 5).

Freelancers elaborated that they are contributing to economic development in the form of remittance and they are indirectly involved in intellectual work by starting their own businesses and giving solutions to various problems.

We are working for the country. We are doing a lot for the country. For instance, in Gilgit, there are not many sources of income. Freelancers bring money from abroad to Gilgit. It is increasing their purchasing power. They are earning from abroad and investing in their business in Pakistan.

Although freelancers are supporting that it is not a digital brain drain but still risk is there because experts are just looking at one side of it. It's a dire need to think beyond the canvas and incorporate all the scenarios in it. The circumstances Pakistan is facing in the form of unemployment and low employability opportunities, it is apprehended that most of the people

will join telework and contribute to other country development. This digital brain drain risk may turn into a talent deficiency crisis.

Previously, brain drain considers hazardous to the economy. Our skilful youth is working for people who are living outside the country. No doubt it is increasing our economic growth and GDP but it is in terms of money (remittances) and there is no development in our country as we are giving our highly qualified people to other countries. In short, their brain is not utilised in this country. Government should give us opportunities by developing industries so that we can work for our country but unfortunately, we have to work for US, Australian, and UK companies (Respondent 7).

5.5.3. Future Trends

With the advent of technology, new software, and development is appearing in every other day. To catch up with the trend freelancers have to be on their toes and take all the challenges as opportunities. It is important for the online worker to learn a new skill as he enters the market.

As the NFT emerges we are the first company who was doing it and it is a very difficult job initially and now it is very simple. At that time no one has an idea to do it so we trained our web developers and we make a lot of profit from that.

In recent times, Artificial Intelligence will be going to disturb a lot of industries. Especially in the creative industry, such as design, development, and automation. AI has a lot of control in these areas. We have to learn AI so that we can take advantage of this boom.

Artificial Intelligence, robotic technology, and Block Chain are the trending areas. AI has replaced low-skill jobs and it overshadowing it fastly.

Salesforce, digital marketing, Hubspot, accounting (quick book), content writing by AI. If you earn to incorporate AI within your skill, then you can survive otherwise it will be difficult.

The skills Pakistani people have may not support them to survive in the future. The freelancers need to upgrade their skill set

5.6. Theme 5: What Should Government Do?

The participant in the interviews has shared a few suggestions to improve the freelancing industry and ecosystem in Pakistan as follows:

Government can ask schools to introduce STEM certification and enforce that students will not get matric degrees until or unless they have passed that certification. The government has already regulated that before providing licensing to school administration government officials are inspecting schools to ensure that it has laboratories and libraries. They just have to add one more clause which stated that they have to hire a STEM teacher and it will generate employment automatically.

Banks are deducting money while converting dollars into rupees and vice versa. For instance, if someone has earned a dollar. Its rate is PKR 280 but the bank will give us PKR 260 or 270. There is no check and balance and policy on why they have deducted that money. Banks are deducting transaction fees, withholding fees, and retain dollars for three days, earn money on it and then we are allowed to transact. If I have to send a dollar to someone then the bank will deduct PKR 315 while the price of the dollar is PKR 280, the government has no policy on it. There are no rules and regulations. There is a lot of mistrust in banks and freelancers prefer not to keep and transact money through banks. Freelancers are holding their money in Payoneer, Wise, or a different account (monthly earning is \$20,000 to 25,000) and they prefer to transact only the amount of money that they need via using the app (RAASTE). This app is not deducting single money and I receive all my money within an hour. The phone number is the account number and (IBFT)

There are a lot of females like me who can work and have skills but due to family restrictions, they could not go out. Government should form some platform that helps them to sign up there and earn a good amount of income. It protects them from all the theft

Government should open its arms to more companies like pay pal and invite big tech companies to Pakistan as it will give exposure to our tech entrepreneurs.

Government should improve its energy and internet infrastructure so that workers can do work from home. It's not possible for everyone to go to National Incubation Centre.

Government should provide tax reductions to freelancers and develop more co-working spaces

Chapter 6

Conclusion and Recommendations

6.1. Conclusion

Pakistan is one of the largest populations of young people. Creating employment for them is one of the biggest challenges. In the last decades, the freelancing industry has emerged as a solution for this issue. It is depicted through online labour index data where Pakistan ranked in 3rd place in the global share of online service i.e., 12%. It comes up with a lot of opportunities for male, female and marginalised groups of people. It provides employment for a shorter period (1 gig at a time) and a fixed period (projects for 2 to 4 months). The platforms connect clients with freelancers by charging a 10 to 20% fee on each project. Most of the time freelancers are paying this fee. To unleash the potential of the freelancing industry, the current highlighted challenges, opportunities and future trends. The survey finding showed that most of the freelancers hold bachelor's degrees while freelancers with master's degrees have a high average year of experience. Freelancers in Pakistan prefer to work in software and development technology and the writing and translation field. They are opting for freelancing as a supplement source of income. Besides this, they are confronting numerous challenges such as finding a client, competition, time management, insecure job, hidden cost to buy equipment, electricity supply and internet connection etc. The majority of the freelancers are searching for gigs through online marketplaces i.e., Upwork, Fiverr etc. and reported that it is hard to find work on Upwork because to get a project there independent from skills and educational background however, it is based on freelancer's financial capacity. On the other hand, freelancers expressed that online courses and tutorial helps them to stay updated with technological trends. The survey depicted that freelancers are satisfied with the platforms' terms of conditions as they are supporting them in situations of disputes with clients.

Every project that gig workers are doing is unique and it allows them to diversify their portfolio along with this it is providing exposure to new industries and clients, earning a high income, and nurturing the culture of startups. The demand for freelancing has increased in the last five years mainly due to Covid 19 and inflation. As the demand is increasing, competition will also increase. To get more projects freelancers have to improve their self-branding skills,

majority of them stated that they use social media platform and create their portfolios on websites. The freelancing industry is not only supporting individuals but it is contributing to the economy of the country as well in the form of remittance. In the wake of this government has initiated various reforms such as tax reduction, co-working spaces, digital freelancer accounts etc. But unfortunately, half of the survey participants report that they are unaware of it. They demand tax exemption, legal protection and training programs from the government. The thematic analysis findings have been divided into five main themes and fifteen sub-themes. The first theme reflects the freelance value proposition and it includes work-life balance value, socio-economic value, autonomy value, developmental value and hedonic value. Freelancer Job Stress theme discusses the factors that are responsible for increasing anxiety and it consists of issues related to payment, client colonisation, work unavailability etc. The remaining three themes discuss the freelancers' disappointments, concerns, risks and future trends. To address all the challenges government has to take proactive measures and involve all the stakeholders of the freelancing industry while making policies.

6.2. Recommendation

- Government should remove taxation liability on freelancers that range between 1 to 2%. If not then, there must be some tax slabs that should be based on their income and progressive. Above all government should give tax exemptions to new freelancers.
- There is a need for a policy framework for banks that should be regulated by State Bank Pakistan to keep a check on deductions in the wake of exchange rates on public and private banks
- It is imperative for government to remove all the barriers or glitches that hinder Pay Pal to join Pakistan (Jalil, 2022).
- Government should introduce proper rules and regulations for issuing licenses and certifications to the private institute that are giving training to freelancers by ensuring quality. It is imperative to set some standards for their verification. In our country, there are no proper rules and regulations for such teachers and institutes.
- In case of dispute related to payment issues in the local market or sub-contractor, there should be grievances and complaint registering bodies.

- Electricity and internet connection should be addressed properly. Firstly, Government can increase PSDP funds to mitigate these issues and give preference to that area where there is continuous electricity and internet supply. Secondly, the government can provide subsidize renewable energy options for IT companies (freelancers) such as solar panels or introduce pay as you go, model under which freelancers could pay in installments (Ockwell et al., 2019).
- There is a dire need to build co-working spaces as sometimes they are fed off working from home. It should be in each city and union council. These working spaces should have internet and electricity 24/7, a cafeteria, and state of the art environment where they easily do their work. There should be a female-only co-working space where they can register and complete their task easily by keeping in view the cultural barriers. Moreover, the government should introduce software technology parks (STP) to other cities apart from Lahore, Karachi, and Islamabad.
- Government should recognise and provide funds to PFLA. As it has skilled human resources and it became difficult for them to travel to different cities. Government should help them to construct infrastructure, support them to bear transportation costs, and buy hardware. It will help PFLA to reach a wider range of potential freelancers.
- Government should activate the IT board at the provincial level so that they will give training at the union and district levels. If the government does not have funds, then they should engage private sector IT companies (in the way of projects and partnerships).
- IT graduates need a lot of up skilling because in universities students are studying C++ where the world needs Python experts. Therefore, it's very hard for graduates to catch up with the world. IT professionals and teachers should work to gather to revamp the curriculum as per future trends.
- Government should introduce STEM programs in all schools and colleges. To implement this triple helix model can be used i.e., government, businessmen and the private sector.
- There is a huge communication gap between the stakeholder. Government should properly advertise its reforms for freelancers not only on print media but on digital media also. They should arrange awareness works shops or collaborate with freelancer groups such as

PFLA.

- Government should devise a policy that ensures backwards and forwards industries linkages with freelancers and encourage their participation in the country's development work.
- The policies and regulations to start a business or introduce new products should be smart, friendly and conducive which requires less procedures and time to acquire license¹⁶.
- To protect the freelancers from future vulnerabilities government can amend the labour laws and introduce freelancers under the worker category and provide health insurance and the self-registering option to EOBI or introduce a separate gig work protection law that would cover location-based and web-based workers¹⁷.
- An integrated approach should be followed where all the stakeholder work together for the betterment of the freelancing industry and country.
- Online platforms should revise their terms of service which is increasing job stress for freelancers such as implementation of progressive fee deduction strategy to protect new freelancers and segregating connects (Upwork) requirements as per the income status of the countries which will increase the inclusivity (Rani et al., 2023).
- In training modules, concerned authorities should introduce a mandatory soft skills and professional development course that helps freelancers to learn how to communicate and how to improve their digital footprints

6.3. Limitation of the Study

As this is a university dissertation, incorporating province-wise analysis has become challenging due of lack of funds but it is important because every region has its own set of challenges. . Furthermore, the study did not include comments of PSEB officials because they were reluctant to participate, and their input is essential for shaping policies and would have been helpful in identifying gaps.

6.4. Future Research Avenues

Apart from collecting data from Pakistan, already available data on OLI website can be used to analyse the demand and supply of Pakistani freelancers in international market. Moreover,

¹⁶ <https://www.commerce.gov.pk/wp-content/uploads/2021/01/How-to-do-business-in-Pakistan.pdf>

¹⁷ <https://clr.org.pk/Social-Protection-for-the-Unprotected-Economy.pdf>

National Freelancers Policy of Pakistan can be compared with policies from other countries as it has numerous set back which needs to be addressed. Province-wise analysis can be incorporated in future study.

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Appendix-I

| Sr. No | Type of Work | Examples of Type of Work |
|--------|-------------------------------------|--|
| 1 | Professional Services | IT support, Legal research, Project management, Accounting, Social media, Architecture design, AutoCAD, Travel and tourism |
| 2 | Clerical and data entry | Data entry, Translation, Transcription, Formatting documents, Audio transcription. |
| 3 | Creative and multimedia | Logo design, Graphic design, Photography, Video production, Video editing, Journalism, street graffiti art |
| 4 | Sale and marketing support | Social media marketing, Search engine optimization, Ad posting , Event Promotion |
| 5 | Software development and technology | Web development, Software development, Web development, App development |
| 6 | Writing and translation | Content writing, Creating writing, Technical writing, Translation, Content Writing, Interpreter, Writer/blogger |

Appendix-II

1. Survey Questions

Demographics

1. Gender:
2. Age:
3. Education:
4. **Select the/ Tick mark categories you are working**
 - i. Professional services
 - ii. Clerical and Data entry
 - iii. Creative and multimedia
 - iv. Sales and marketing support
 - v. Software development and technology
 - vi. Writing and Translation
 - vii. Others
5. **How long you have been working as a freelancer?**

Dropdown menu from 1 to 10 years

6. **What is your per-hour earning?**
 - i. Less than \$5
 - ii. \$6 to \$10
 - iii. \$11 to \$20
 - iv. \$21 to \$25
 - v. More than \$25
7. **How many hours do you work in a day as a freelancer?**
 - i. Less than 2 hours
 - ii. 2 to 4 hours
 - iii. 5 to 7 hours
 - iv. 8 to 10 hours
 - v. More than 10 hours
8. **Why you chose freelancing as a profession? (Select as many as it applies to you)**
 - i. To have autonomy
 - ii. Flexibility in work schedule
 - iii. High-income potential
 - iv. To pursue passion or interest

Challenges

Personal Challenges

1. Which of the following is your biggest challenge as a freelancer?

- 1: Not challenging at all; 2: Somewhat challenging; 3: Moderately challenging; 4: Very Challenging, 5: Extremely challenging
- i. Irregular payment
 - ii. Competition

- iii. Finding Clients
- iv. Time management
- v. Administrative Task
- vi. Staying up to date with technology
- vii. Self-Motivation
- viii. Hidden cost (such as the cost of creating a professional profile, job searching, or buying equipment)
- ix. Legal and Contractual Issues
- x. Feeling of isolation

2. Do you think that freelancing is an insecure job?

- i. Yes
- ii. No
- iii. Not Sure

3. How do you find new clients or projects as a freelancer? (You can select more than 1 option)

- i. Referral from Past clients
- ii. Social media market
- iii. Freelance marketplace (Upwork, Fiverr, etc)
- iv. Networking events
- v. Others

4. How often have you experienced difficulty in getting paid for your work as a freelancer?

- i. Very frequently
- ii. Somewhat frequently
- iii. Occasionally
- iv. Rarely
- v. Never experienced difficulty getting paid as a freelancer

5. Do you struggle with work-life balance as a freelancer?

- i. Difficulty in setting boundaries between work and personal life
- ii. Inability to prioritise tasks effectively
- iii. Overcommitting to too many projects or clients
- iv. Insufficient breaks or time off for rest and relaxation
- v. Managing distraction from family and friends while working from home

6. How do you manage your administrative tasks like taxes and invoicing as a freelancer?

- i. I do it myself
- ii. Outsource to a bookkeeper or accountant
- iii. Sometimes I do it myself and sometimes I prefer to outsource

7. How do you stay motivated and productive when working independently as a freelancer?

- i. Set clear goals and deadlines
- ii. Take frequent breaks to avoid burnout
- iii. Work in a co-working space or with other freelancers

iv. Other

8. Are you satisfied with your skill set?

i. Yes

ii. No

iii. Not Sure

9. How do you stay updated about the latest technologies and soft wares as a freelancer?

i. By attending workshops or conferences

ii. By reading industry publications or blogs

iii. Take online courses or tutorials

iv. Learn from other freelancers or peers

v. Others

10. Have you ever felt socially isolated or lonely as a freelancer?

i. Yes

ii. No

iii. Not Sure

11. Do you face frequent disruptions of internet services?

i. Very frequently

ii. Somewhat frequently

iii. Occasionally

iv. Rarely

v. Never experienced

12. Do you face frequent occurrences of power cut issues?

i. Very frequently

ii. Somewhat frequently

iii. Occasionally

iv. Rarely

v. Never experienced

Platform Challenges

1. Have you experienced difficulties using an online freelance platform such as Upwork, fiverr, or Freelance.com?

i. Yes

ii. No

iii. Not Sure

2. Do you feel that online platforms accurately represent your skills and experience as a freelancer?

i. Yes

ii. No

iii. Not Sure

3. Have you experience competition from freelancers offering their services at a lower rate on online platforms?

i. Yes

- ii. No
- iii. Not Sure
- 4. **Have you had issues associated with payment on online freelance platforms?**
 - i. Yes
 - ii. No
 - iii. Not Sure
- 5. **Do you feel that online platforms provide fair compensation for your work as a freelancer?**
 - i. Yes
 - ii. No
 - iii. Not Sure
- 6. **Have you ever faced a dispute with a client on an online platform regarding payment?**
 - i. Yes
 - ii. No
 - iii. Not Sure
- 7. **Do you feel that online platforms provide adequate support and resources for freelancers?**
 - i. Yes
 - ii. No
 - iii. Not Sure
- 8. **Are you satisfied with the deduction fee charged by online platforms?**
 - i. Yes
 - ii. No
 - iii. Don't Know

Prospects

Personal

- 1. **Does freelancing ensure a good life/work-life balance?**
 - i. Highly satisfied
 - ii. More satisfied compared to working in a traditional job
 - iii. Somewhat satisfied
 - iv. Unsatisfied
- 2. **Select the advantages of working from home**
 - i. Independence
 - ii. Can take care of children/ family members
 - iii. Save travel time and cost
 - iv. Can avoid health hazards
 - v. Can maintain special equipment/ studio needed for work
- 3. **How do you think freelancing can help individuals to advance their careers?**
 - i. By providing exposure to new industries and skills
 - ii. By allowing the individual to diversify work their portfolio
 - iii. By providing an opportunity to work with different clients around the world

- iv. By supporting freelancers to earn more and become an expert in his/her field
- v. By nurturing the culture of startups and innovation
- 4. **Has the demand for freelancing services changed over the past five years?**
 - i. Increased significantly
 - ii. Increased slightly
 - iii. The Stayed same
 - iv. Decreased slightly
 - v. Decreased significantly
- 5. **Which industry do you believe will generate more jobs for freelancers?**
 - i. Technology
 - ii. Creative including writing and art
 - iii. Healthcare
 - iv. Education
 - v. Other
- 6. **In your opinion, does technological advancement will affect the future of freelancing?**
 - i. Create a new opportunity
 - ii. Affect the traditional industries
 - iii. Increase competition for freelancers
 - iv. All of above
 - v. Neither of above
- 7. **What efforts will you make to market your services as a freelancer?**
 - i. Use social media to promote my work
 - ii. Attend networking events and conferences
 - iii. Collaborate with other freelancers
 - iv. Create your own website or portfolio
 - v. All of above
 - vi. None of above
- 8. **Does Freelancing help in meeting long-term career goals?**
 - i. Yes
 - ii. No
 - iii. Not sure

Role of Government

- 1. **How satisfied you are with the opportunity available to you as a freelancer?**
 - i. Very satisfied
 - ii. Somewhat satisfied
 - iii. Neutral
 - iv. Very Dissatisfied
 - v. Not applicable
- 2. **Are you aware of any government reforms or policies that specially target freelancers?**
 - i. Tax exemption for freelancers who are registered with PSEB
 - ii. Co-working spaces

- iii. Training Programs
- iv. Digital Freelancer Account
- v. Health Insurance

3. What kind of support do you think the government should provide to freelancers to help them succeed?

- i. Financial assistance such as loans or grants
- ii. Access to affordable healthcare and other benefits
- iii. Training and education programs
- iv. Legal and regulatory protections
- v. Networking and mentorship opportunities
- vi. Other

4. What kind of financial support, if any, do you think the government should provide to freelancers?

- i. Tax breaks and deductions
- ii. Unemployment insurance
- iii. Retirement benefits
- iv. Others
- v. None
- vi. Not Sure

5. How important do you think it is for the government to recognise freelancers as a distinct category of workers and to provide them with some specific legal protection and benefits?

- i. Very important
- ii. Somewhat important
- iii. Neutral
- iv. Not very important
- v. Not at all important
- vi. Not sure

2. Interview Questions

Questions for an interview with Freelancers

Education

Years of Experience

Hourly/weekly/monthly wage'

Why do you select freelancing as a profession?

What is the biggest challenge you feel as a freelancer?

Freelancing value proposition

Work-Life Balance

Is freelancing increasing economic value and how

Do you find it different from the traditional job like work independence?

Are you able to upgrade your skill set and how it is helping you to improve your skills?

Are you enjoying it working as a freelancer?

Freelance job stress

Do you have clear career goals as a freelancer?

How do you find clients?

Is it difficult for you to find clients on any specific platform?

Do you find it based on gender-biased?

Do you ever face payment issues?

What kind of skills will be required by freelancers in future?

Any technical issue you have confronted as a freelancer

Do you ever feel stressed to get work, work competitions or deadlines?

Lack of perks and benefits

Have you ever attended the training organized by the government?

Prospects and opportunities

What are the opportunities freelancing has given to you?

What is the role of the government?

Are you aware of government reforms?

Why are freelancers reluctant to register themselves with an organization

How government can help?

Do you think if government registering freelancers as an employee will improve its environment?

Questions for an interview with Experts

Introduction

Where are you working and how it is helping freelancers?

What its aim and how it is different from other institute?

What kind of facilities is providing?

Please elaborate overall ecosystem of the freelancing industry of Pakistan and its loopholes.

How do you see the overall IT infrastructure of Pakistan?

Is it a digital brain drain?

What are the challenges freelancers are facing in Pakistan?

Do you think freelancers in Pakistan have the potential to earn high incomes?

Do you think there is a supply and demand gap in skills required for freelancers (Online labour index)?

What will be the future of freelancing in Pakistan?

Give your comments on the National freelancing policy

Is it a permanent solution for unemployment?

What are the opportunities freelancing has given you?

What kind of skills will be required by freelancers in the future?

Please elaborate skills required for competing in the international market right now and after 5 to 10 years

Are their degrees aligned with the skills required to perform the job?

Are freelancers reluctant to register themselves with an organization like PFLA and PSEB?

How government can help? What kind of policies government should introduce?

where do you see the freelancing industry in the next five years?

Do you think if government registers freelancers as an employee will improve its working conditions?