

Report reveals the impact of Covid-19 on the global gig economy

A report called *The Digital Hustle: Gig Worker Financial Lives Under Pressure*, has revealed the significant lifestyle impact and the financial damage brought by Covid-19 pandemic on the lives and experiences of workers in the gig economy in South Africa, India, Indonesia, Brazil and the USA.



Source: pixabay.com

The research, conducted from May through to August 2020 reveals that 66% of gig workers across the globe reported a large decline in income, with ridesharing drivers being hardest hit. Further, a majority of workers viewed the pandemic as an economic crisis in as much as their health remained a significant concern for them.

“The gig economy has created an alternative source of income for many people away from the 9am to 5pm jobs. Covid-19 disrupted the models in e hailing, online deliveries and the general gig economy. We saw similar trends and insights in terms of the impact of the pandemic in South Africa, India, Indonesia, Brazil and USA”, said Ameya Upadhyay, Venture Partner at Flourish Ventures.

In South Africa, 91% of the gig workers interviewed were very concerned about Covid-19. Their biggest concerns were how the pandemic will affect their ability to earn an income and the risk to their family’s health.

The report also revealed the financial resilience and coping mechanisms of gig workers in the five countries. In South

Africa over half of gig workers reduced household expenses, almost half borrowed money, and nearly three out of four had to rely on savings.

The trend is almost similar in Brazil Indonesia and USA apart from India where the gig workers experienced financial cushioning owing to a strong savings culture where 83% used their savings and 15% found new or additional work.

“With many economies now reopening, we hope to see the gig sector become more vibrant. Operations are obviously going to change in terms of adhering to health protocols in different countries but the industry should be flexible enough to take on board the changing consumer behaviour,” Ameya stated.

Despite the disruption and uncertainties occasioned by Covid-19, Flourish expects a continued growth in the gig economy as workers try to find the best way to fit into this emerging digital workforce.

“In our post pandemic world, the gig economy is going to become more important and more vital, especially in Africa. Gig work is becoming increasingly important as a potential pathway to socio-economic development and employment creation, given Africa’s unique status as the continent with the youngest population but the highest youth unemployment rate, said Ameya.

Flourish, a global fintech investor with investments in Africa helping people achieve financial wellbeing, conducted online and phone surveys of 3,195 gig workers from May through August 2020. Respondents were from Brazil (539), India (770), Indonesia (586), South Africa (605), and the United States (695).

Download [The Digital Hustle: Gig Worker Financial Lives Under Pressure](#) report (PDF File: 1.4MB)

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