



## **THE PRECARIOUS SYSTEM IN GIG POLITICAL ECONOMY: A STUDY OF THE VULNERABILITY OF ONLINE DRIVERS IN INDONESIA**

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### **ABSTRACT**

This study is based on the rise of the gig economy in Indonesia, particularly in the online transportation sector, which offers work flexibility but often comes with economic vulnerability for its workers. Online drivers face income uncertainty and a lack of social security, threatening the welfare of their households. This study uses qualitative methods with a literature review and in-depth interviews to examine these issues. The theoretical framework combines the concepts of the precariat, digital political-economic analysis, and human security perspectives to understand the vulnerabilities experienced by workers. The results show that the flexible work system based on digital platforms creates economic uncertainty for online driver workers. This situation is characterized by fluctuating and unguaranteed income, a partnership status that is vulnerable to termination at any time, and very limited social protection. In conclusion, the pseudo-flexibility in this gig economy model creates precarious conditions that undermine the economic security of online drivers and negatively impact their families' welfare. Therefore, structural efforts are needed to improve protection and certainty for workers in Indonesia's gig economy ecosystem.

**Keywords:** Political Economy; Indonesia; Vulnerability; Online; Drivers

## ABSTRAK

Studi ini didasarkan pada kebangkitan ekonomi gig di Indonesia, khususnya di sektor transportasi daring, yang menawarkan fleksibilitas kerja tetapi seringkali disertai kerentanan ekonomi bagi para pekerjanya. Pengemudi daring menghadapi ketidakpastian pendapatan dan kurangnya jaminan sosial, yang mengancam kesejahteraan rumah tangga mereka. Studi ini menggunakan metode kualitatif dengan tinjauan pustaka dan wawancara mendalam untuk mengkaji isu-isu ini. Kerangka teori menggabungkan konsep precariat, analisis politik-ekonomi digital, dan perspektif keamanan manusia untuk memahami kerentanan yang dialami oleh para pekerja. Hasil penelitian menunjukkan bahwa sistem kerja fleksibel berbasis platform digital menciptakan ketidakpastian ekonomi bagi para pekerja pengemudi daring. Situasi ini ditandai dengan pendapatan yang berfluktuasi dan tidak terjamin, status kemitraan yang rentan terhadap pemutusan hubungan kerja (PHK) sewaktu-waktu, dan perlindungan sosial yang sangat terbatas. Kesimpulannya, pseudo-fleksibilitas dalam model ekonomi gig ini menciptakan kondisi prekariat yang melemahkan keamanan ekonomi pengemudi daring dan berdampak negatif pada kesejahteraan keluarga mereka. Oleh karena itu, upaya struktural diperlukan untuk meningkatkan perlindungan dan kepastian bagi pekerja dalam ekosistem ekonomi gig Indonesia.

**Kata Kunci:** Politik-Ekonomi; Kerentanan; Daring; Pengemudi

## INTRODUCTION

The development of digital technology has led to the emergence of the gig economy, an economic system that offers workers freedom in the form of flexible work, short-term contracts, or platform-based digital jobs. In Indonesia, this phenomenon is evident in the rapid growth of the online transportation sector, particularly online motorcycle taxi services. Platforms such as Gojek, Grab, and Maxim have not only revolutionized the way people access transportation and daily services, but also created new job opportunities for millions of people. According to data from the Central Statistics Agency (BPS) in August 2024, 57.95% or approximately 83.8 million Indonesian workers are classified as informal workers, including gig workers. This number continues to increase along with the proliferation of technology platforms such as online motorcycle taxi services (Setiawan, 2025). And according to a survey by the Research Institute of Socio-Economic

Development (RISED), time flexibility is the main reason people choose to become gig workers, especially in the online transportation sector, whose workers are referred to as ojol (online motorcycle driver). However, behind this flexibility and opportunity, there are also structural vulnerabilities experienced by workers. Freedom does not always mean guaranteed welfare, so an approach that considers the balance of the gig economy, which is touted as the future of work, is needed (Sargeant, 2017).

As explained by Healy, Nicholson, & Pekarek, (2017), the gig economy has sparked debate about job stability and workers' rights. In the case of online motorcycle taxi drivers, they often face income uncertainty, lack of social security, minimal legal protection, and high health and safety risks at work. They work in a situation described by Guy Standing as part of the precariat class, a social group that lives in unstable working conditions and usually works for short periods of time, has no guarantees, no resources for stable occupational identities or careers, no stable social protection or protective regulations, and is prone to exploitation (Standing, 2011). The concept of the precariat is important because it explains the uncertainty and insecurity inherent in the gig economy system.

The urgency of this research lies in the fact that although the gig economy sector continues to grow rapidly and contribute to the national economy, worker protection aspects are still lagging far behind. The government has not been fully able to formulate regulations that balance the interests of platforms with workers' rights. Thus, this research is relevant not only academically but also practically, as it concerns the digital work system in Indonesia and the protection of workers' basic rights. Precariat workers have no voice and are vulnerable to the siren calls of extreme political parties. The precariat could produce new instabilities in society (Standing, 2011).

The main problem in the study of the gig economy in Indonesia is the ambiguous employment relationship. Online motorcycle taxi drivers are not recognized as formal workers with labour rights, but rather as independent partners who are outside the protection of the Labor Law (Pati, 2019; Hidayah, Cloet, Pradhan, 2021). This condition creates a dilemma: on the one hand, workers are considered independent, but on the other hand, they are completely dependent on algorithms, tariff policies, and the control mechanisms of platform companies. As a result, workers' bargaining position

is very weak, while the risk of socio-economic vulnerability is increasingly high. This is where the state needs to be present for its people, in this case, precarious online motorcycle taxi workers. The government must be firm and take measured actions in regulating the online motorcycle taxi work system on digital platform companies. The quality of life of online motorcycle taxi workers also needs to be fought for because they have at least contributed to the economy.

Theoretically, this research enriches the study of modern industrial relations and expands the application of the concept of precariousness in the context of developing countries, particularly in Indonesia. Meanwhile, in practical terms, this research can provide input for policymakers, labour unions, and platform companies in designing social protection mechanisms and labour regulations that are more equitable for gig workers.

Although there have been several studies on gig workers in Indonesia, there are several gaps that need to be filled, including the lack of in-depth research on the relationship between the concept of precariat and the daily experiences of online motorcycle taxi drivers in Indonesia. Many studies still emphasize aspects of the digital economy, technology, or labour policies without directly linking them to contemporary social class theory. The weakness of previous studies lies in their limited theoretical perspective. Most studies emphasize descriptive legal or sociological dimensions but have not linked them to the conceptual framework of the precariat as a new class in the global social structure. This study attempts to fill this gap by using the theory of the precariat as the main analytical lens, thereby explaining the vulnerability of gig workers not only as an individual or sectoral problem but as part of the structural transformation of the labour market in the digital era.

Based on the identification of problems in the above research gap, the main question this study seeks to answer is how the work system in the gig economy, particularly for online motorcycle taxi drivers in Indonesia, creates precarious conditions that lead to socio-economic vulnerability for workers. This issue has a significant impact on the fields of globalization, political economy, industrial relations, and labour studies, as it shows how the logic of the digital economy, which is a product of globalization and political economy, creates vulnerabilities that lead to social inequality, economic injustice, and even affect the quality of life of workers. Thus, this study not

only highlights the issue of injustice at the worker level but also contributes to the development of theory regarding new social classes in the era of globalization.

To clarify the focus of the analysis, the main questions above are broken down into several sub-questions: what is the nature of the working relationship between platform companies and online motorcycle taxi drivers in Indonesia; what factors create socio-economic vulnerability in the lives of online motorcycle taxi drivers; how can the concept of the precariat explain the work experience of online motorcycle taxi drivers in Indonesia? As well as what are the implications of this vulnerability for labour regulations and social protection in the gig economy era.

The main theory used in this study is the theory of the precariat developed by Guy Standing (Standing, 2011). This theory is relevant because it provides an analytical framework for understanding the emergence of a new social class characterized by job insecurity, lack of social security, and weak bargaining power of workers. In the context of the gig economy in Indonesia, this theory can be used to explain how online motorcycle taxi drivers are in a vulnerable position due to a work structure controlled by digital platforms.

## **THEORETICAL PERSPECTIVES**

The gig economy refers to a short-term task-based work system mediated by digital platforms (Permana, Izzati, & Askar, (2023)). In Indonesia, the emergence of online motorcycle taxi platforms (online motorcycle taxis) around 2015 marked a new chapter in the gig economy that was seen as an alternative to the future of the world of work, although at the same time it was criticized as a new form of labor exploitation (Permana, Izzati, & Askar, 2023). The online transportation sector – especially ride-hailing services such as Gojek, Grab, and Maxim – has grown rapidly in the past decade. Gojek was founded in 2010 (initially via phone calls) and launched the app in 2015; Since then, the number of driver-partners has increased dramatically as the service expands throughout Indonesia. Grab, based in Singapore, began operating in Indonesia around 2014–2015 and soon became Gojek's main competitor. Meanwhile, Maxim, an online transportation company from Russia, entered the Indonesian market in 2018 and expanded its reach to more than 200 cities in a short period of time

(Liputan6, 2019). Until 2025, Gojek and Grab dominate the Indonesian ride-hailing market with millions of drivers under their umbrella (Reuters, 2025)

Quantitatively, the number of workers in this sector is very significant. Various sources show varying figures; 2020 data from the drivers' association (GARDA Indonesia) mentions around 4 million online motorcycle taxi drivers throughout Indonesia (Kumparan, 2020), while Gojek itself in 2020 announced that it has 1.7 million driver-partners (Kumparan, 2020). In line with the rapid growth, by the end of 2022 the number of Gojek driver-partners increased to around 2.7 million (Tokopedia, 2022). In total, when combined with other platforms, it is estimated that there will be more than 7 million people working as online transportation drivers by 2025 (TangerangNews, 2025). This figure includes two-wheeled (online motorcycle taxi) and four-wheeled (online taxi) drivers, and possibly also couriers of delivery services. Nonetheless, official data often differs; BPJS Employment recorded around 2 million people who work as ojol drivers, but only 250 thousand (about 12.5%) of them are registered in employment social security (TangerangNews, 2025). This indicates that there is a huge gap in social protection for gig workers in this sector.

A distinctive feature of online transportation gig jobs is flexible employment contracts and algorithm-based work arrangements. Drivers are recruited as independent "partners" rather than permanent employees, so they are formally free to set working hours and are not tied to a standard schedule. This flexibility is often promoted as a key attraction: for example, partners can activate the app at any time to start receiving orders and deactivate it when they want to stop working (Kamim & Khandiq, 2019). But behind this flexibility, digital platforms implement a strict algorithmic system in managing and supervising driver performance. The app automatically distributes customer orders to nearby drivers, tracks travel speeds and routes via GPS, and collects customer ratings or ratings of driver services. This rating system has a central role in determining driver revenue: high-rated partners tend to get more orders, while low-rated partners tend to reduce the number of orders received (Pradana, 2024). In addition, the platform's algorithm also enforces automatic sanctions – for example, drivers who are deemed inactive or frequently reject orders may be subject *Suspend* (accounts are temporarily frozen) or given a "lonely account" status which makes them rarely receive

orders (Novianto, Wulansari, & Hernawan, 2021). In case of gross violations (such as cheating or persistently poor ratings), the platform may unilaterally terminate the partnership (account termination) (Novianto, Wulansari, & Hernawan, 2021). Thus, control over the work process is in the hands of the platform through an algorithmic mechanism, even though the working relationship is claimed to be "flexible".

## **RESEARCH METHODS**

This study uses a qualitative approach to understand the dynamics of the gig economy in Indonesia's online transportation sector in depth. The qualitative approach was chosen because it allowed researchers to dig into the "why" behind economic data and helped participants reveal the depth and nuances of their life experiences that were not visible from statistical figures. By speaking directly to workers, researchers can understand the real challenges they face as well as their priorities and decisions regarding work. This approach also provides space for workers' narratives to shape discussions about the gig economy more broadly, so that their perspectives influence the public conversation.

The data in this study was collected through two main techniques. First systematic literature review. The researcher began by reviewing the existing literature on the gig economy, precariat's, political analysis of the digital economy, and human security perspectives. Literature review helps identify knowledge gaps and design relevant research questions. Second, through Semi-structured in-depth interviews. Interviews were conducted with online transportation drivers from various platforms (e.g. Gojek and Grab) in several major cities such as Jakarta, Bandung, and Surabaya. The selection of participants was conducted in a purposive manner to ensure diversity of age, work experience, and income status, as well as to consider their willingness to share experiences. Interviews allow researchers to explore sensitive issues, such as income uncertainty and lack of social protection, and provide depth to workers' narratives.

The study participants consisted of 30 online transportation drivers who worked full-time and part-time. They were chosen to reflect a variety of experiences in the gig economy, including length of work on the platform, the

type of vehicle used, and family responsibilities. Interviews are conducted in a place that is convenient for participants, such as their homes, coffee shops, or online via video call, to ensure comfort and honesty during the conversation. Data analysis is carried out through several steps First, transcription and thematic coding. All interview recordings are transcribed verbatim. The researchers then performed thematic coding to identify important patterns, such as revenue fluctuations, working relationships with platforms, and survival strategies. These themes are analysed using the framework of precariat theory, political analysis of the digital economy, and human security perspectives to understand the vulnerabilities experienced by workers. Second, Data triangulation. The results of the interviews were compared with the findings of the literature review to ensure consistency and strengthen the validity of the findings. Triangulation allows researchers to assess whether individual experiences reflect broader trends in the gig economy.

To improve the validity, the study used triangulation of data sources by comparing the results of interviews, academic literature, and media reports. In addition, the member checking technique is carried out by providing a summary of the results of the interview to several participants to get confirmation that the researcher's interpretation is in accordance with their experience. The researcher also implements trail audits by documenting all the steps of the analysis, so that the research process can be traced and retested by other researchers.

## **RESULT AND DISCUSSION**

### **PROFILE OF GIG ECONOMY ONLINE TRANSPORTATION IN INDONESIA**

Within a decade, Indonesia's online transportation sector has experienced very rapid growth. Gojek, a pioneer of local online motorcycle taxis, started as a motorcycle taxi booking service via a call center in 2010 in Jakarta, then launched a mobile application in 2015. This transformation drove massive expansion: Gojek grew from just a motorcycle taxi service (GoRide) to a super-app ecosystem that includes car transportation (GoCar), food delivery (GoFood), package courier (GoSend), and other services. The

number of Gojek driver-partners grew along with the expansion; Gojek reports connecting with 2.7 million driver-partners on its platform as of the end of 2022 (Tokopedia, 2022), and by 2025 it will have more than 3.1 million motorcycle drivers in Indonesia (Reuters, 2025). Meanwhile, Grab – which was founded in Malaysia/Singapore – entered Indonesia around 2014 and aggressively recruited local online motorcycle taxi and taxi drivers. Within a few years, Grab managed to compete with Gojek and now together dominate the Indonesian ride-hailing market (Reuters, 2025). These two decacorns (startups valued at over USD 10 billion) have become major actors in providing application-based transportation services in urban Indonesia.

Maxim, as a new player from Russia, has been present in Indonesia since July 2018 (Liputan6, 2019). Initially, Maxim only operated in Jakarta with online motorcycle taxi and taxi services based on the Driver application. (Liputan6, 2019). Within two years, Maxim expanded its network to 14 other cities in Indonesia (Liputan6, 2019), including Yogyakarta, Surakarta, Denpasar, and other provincial/regency-level cities. As of 2023, Maxim has been present in more than 200 cities in Indonesia with a total of more than 500,000 registered driver-partners (UNDIP). Maxim's strategy to compete is to offer relatively cheaper service rates and high flexibility. For example, Maxim allows for multi-booking and multiple route features, as well as highlighting some unique options (such as permission to bring animals in vehicles) to attract users (Liputan6, 2019). Maxim's expansion shows that the sector is not monopolized by just two players; There are niche markets in various regions that can be worked on with a low-tariff strategy. However, overall, the largest share is still controlled by Gojek and Grab).

The massive growth of these platforms cannot be separated from the support of large venture capital and high user adoption. The Indonesian government even had time to appreciate the digital economy (including ride-hailing) as a growth engine and labor absorption solution, projecting Indonesia to become the largest digital economy player in Southeast Asia (Budiono, 2023). Based on LD FEB UI research, Gojek's ecosystem is reported to contribute significantly to the economy (once called around 1-2% of GDP) – although this figure is a multiplier effect and deserves to be critically examined. In essence, ride-hailing has become an integral part of Indonesia's urban economy, creating millions of income opportunities for the community.

On the other hand, the work scheme implemented by the platform gives rise to the dynamics of industrial relations that are not prevalent compared to traditional formal work, as described below.

## **FLEXIBLE CONTRACTS AND ALGORITHMIC SYSTEMS**

The status of the working relationship on the Gojek, Grab, and Maxim platforms is officially a partnership. The drivers are not employees of the company, but are considered independent business partners who partner with the platform. These partnership contracts are flexible: there are no mandatory working hours, no office location ties, and drivers can "be the boss for themselves" – a jargon that often appears in gig economy narratives. The flexibility of working hours has proven to be one of the reasons why many people (especially the young workforce) are interested and persist as ojol drivers (Kamim & Khandiq, 2019). For groups that need control over working hours (such as college students, part-time workers, or people with household dependents), this model offers relief because they can adjust when they work and when they don't.

However, the concept of flexibility contains contradictions when applied in the context of digital platforms. Although drivers are free to determine the time online, the platform controls the work process through algorithms unilaterally (Novianto, Wulansari, & Hernawan, 2021). All important decisions in the work – such as the amount of the tariff per km, the mechanism for providing incentive bonuses, the determination of orders (incoming bookings), and the rules of sanctions – are determined by the application company without any negotiation room for driver-partners (Novianto, Wulansari, & Hernawan, 2021). This means that the driver is de facto under the control of the company like a labor-employer relationship, only that the relationship is mediated by application technology. Companies can discipline drivers through three main instruments: sanctions, customer assessments, and bonus schemes (Novianto, Wulansari, & Hernawan, 2021)

- **Algorithmic sanctions:** The platform establishes a set of performance metrics (e.g. *Acceptance Rate*, *cancellation rate*, and customer ratings). If drivers don't meet the standards – for example, rarely activate the app, often decline orders, or get bad reviews – the system can impose automatic sanctions in the form of order restrictions

(accounts are created "quiet orders") or *Suspend* while (Novianto, Wulansari, & Hernawan, 2021). In fact, violations considered serious can lead to unilateral termination of partnership (termination of partnership), which means drivers lose access to applications and sources of income.

- Customer ratings: At the end of each trip, customers are asked to give ratings (1–5 stars) and reviews. The platform uses consumer ratings as the basis for enforcing service quality (Novianto, Wulansari, & Hernawan, 2021). If the driver gets a very low rating (e.g. 1 star with a complaint – considered reckless or disrespectful), the company will impose a sanction, although sometimes the complaint is unsubstantiated and the driver is not given a chance to clarify (Novianto, Wulansari, & Hernawan, 2021). This one-sided rating system makes drivers vulnerable to subjective consumer judgments, but it lacks a fair rebuttal mechanism.
- Bonus and incentive schemes: Although the hours are flexible, the company directs driver behavior through targets and bonuses. For example, Gojek implements a daily bonus scheme if drivers complete a certain number of orders or operate during certain peak hours (incentives) *peak hours*) (Kamim & Khandiq, 2019). Thus, time flexibility becomes an illusion – drivers who want to earn extra income are practically encouraged to work longer hours and at designated hours (often morning and evening rush hours). If they don't pursue the target, their income will be much lower. This suggests a covert coercion: even though there are no mandatory absences or schedules, the algorithm "forces" drivers to work disciplined, longer, and harder to meet performance standards and earn bonuses. (Novianto, Wulansari, & Hernawan, 2021)

It is these contradictory characteristics that make partnership relationships on platforms what some researchers refer to as "pseudo-partnerships". Instead of being equal and mutually beneficial, these partnerships result in super-exploitative working relationships (Novianto, Wulansari, & Hernawan, 2021). The app company calls independent partner drivers who can't be forced into rules like permanent workers, but the fact is that partners have only two choices: abide by the platform's unilateral rules or

leave the platform (lose revenue opportunities) . (Kamim & Khandiq, 2019). The drivers do not receive a fixed salary or wage from the application company; How much income they earn depends entirely on how many orders can be completed each day (Kamim & Khandiq, 2019). The company does not provide the main means of production (vehicles), so the driver partners themselves bear the cost of providing motorcycles or cars, fuel, data credit, vehicle maintenance, and others. The platform only acts as an intermediary that connects demand (passengers) with supply (drivers) through technology, but in practice also controls tariffs and order allocation in such a way that it is for its own benefit. Even the determination of tariffs that tend to be low, to win the market and attract investors, makes drivers depressed because they must bear these cheap tariffs by working harder.

Overall, the profile of Indonesia's online transportation gig economy shows dynamics: on the one hand, it creates massive technology-based jobs with high flexibility; On the other hand, this flexible partnership scheme retains the uncertainty and inequality of the relationship imposed on workers. The next section will discuss how this has implications for the economic vulnerability of drivers as gig workers.

## **ECONOMIC VULNERABILITY OF GIG WORKERS TRANSPORTATION DARING**

The income of online motorcycle taxi drivers is uncertain and tends to fluctuate, influenced by the number of daily orders, changing incentive policies, the level of competition among drivers, and external conditions (such as the pandemic). The data shows a downward trend in ojol drivers' income from year to year. A survey by the Institute for Demographic and Poverty Studies (IDEAS) reported that before the pandemic (2018–2019), the average ojol driver was able to achieve a gross income of around Rp304,688 per day (CNN, 2025). This figure is equivalent to around IDR 9 million per month (if you work every day), indicating that in the early days of the ojol boom, income could have been relatively high – triggered by high demand and various bonus programs from the then aggressively competitive application.

However, entering the COVID-19 pandemic period (2020–2021), the average daily income plummeted drastically to around IDR 100,000 (SMERU, 2020). Mobility restrictions (PSBB/etc.) prohibit ojol from

transporting passengers and limit economic activities, so many drivers lose their main source of income, relying only on food/goods delivery orders. Platform companies had lowered commissions and provided limited assistance, but there was no wage guarantee that protected their daily minimum income. After restrictions eased, the post-pandemic period (2022–2023) saw driver income rise again to an average of IDR 174,805 per day (DANAREKSA, 2024). Although better than during the pandemic, this level is still around 57% of pre-pandemic revenue. In other words, post-pandemic driver earnings are only about half of their peak times, indicating a permanent decline in earning power as the market matures and subsidies/incentives from platforms decrease.

This decline in income was also achieved with harder work. IDEAS research reveals that to earn ~Rp175 thousand per day, the average driver now must complete 10 orders per day, travel a total distance of 42 km, and work up to 11 hours per day (IDEAS, 2023). Compare that to the early days when bonuses were plentiful: many drivers only worked half a day to earn Rp300 thousand. Now, long working hours are inevitable so that income is close to enough. The Ministry of Transportation (Balitbang 2022) reinforces this finding: 50.1% of ojol drivers surveyed stated that their daily gross income is only in the range of IDR 50 thousand – IDR 100 thousand (PikiranRakyat, 2025). This means that most drivers earn very low (IDR 1.5-3 million per month when assuming 30 days of work). As many as 44.1% of respondents also admitted that their daily operating costs are in the same range (IDR 50-100 thousand) (Tirto, 2024), indicating that the net income left for many drivers is very small, even can be zero or lose if the daily income is only equivalent to the daily cost. The finding that almost half of drivers spend almost equal to their income underscores the vulnerability of the economy: even a slight drop in orders or an increase in fuel prices can push them into a losing position.

## **HIGH OPERATING COSTS AND WORKLOAD**

Gig workers in the online transportation sector basically bear all the operational costs of their work themselves. Unlike formal workers who are provided with work facilities, ojol drivers must provide a vehicle (motorcycle/car) complete with fuel, routine service fees, paperwork costs

(STNK, vehicle tax), as well as supporting devices such as smartphones and internet data quotas. Most drivers pay in installments for motorcycle or car loans used for work, so every month there is a fixed installment fee. On the other hand, the platform charges a commission of around 15–20% of each fare a passenger pays. Government regulations state that application companies can take a maximum of 20% of the fare (Reuters, 2025), but in practice drivers complain that the effective cut is often more than 20% due to additional fees or non-transparent incentive schemes (Reuters, 2025). With a 20% commission, if a passenger pays IDR 10,000, the driver only receives IDR 8,000. This situation means that even though the gross income (before deductions) looks large, the driver's net income is much reduced after deducting platform commissions and operating costs.

The high operational costs are reflected in the survey by the Ministry of Transportation's Balitbang survey above: 44.1% of drivers admitted that their daily fare is IDR 50-100 thousand (Kumparan, 2022). These costs include gasoline (which fluctuates in price and tends to rise), vehicle maintenance (oil changes, engine service, tires, etc.), data credit, and unexpected expenses (parking, eating on the street while waiting for orders.). With the daily income of many drivers also in the range of IDR 50-100 thousand, the profit margin is very thin. Drivers often have to work longer hours to cover costs: for example, a driver targets 15 orders a day so that after deducting gas and commissions, there is still something left to take home. This condition is close to a system of "working to cover costs", in which most of the produce of labor is spent on the cost of labor itself – a classic situation of labor exploitation in the informal economy.

In addition, the absence of subsidies or benefits from companies makes drivers vulnerable to economic shocks. When fuel prices rise or spare parts are expensive, there is no automatic tariff adjustment or cost assistance from the platform. Indeed, the government has set a lower limit fare for ojol since 2019 to ensure that the fare is not too cheap (to protect drivers) – for example in Greater Jakarta the minimum fare is around Rp2,250–2,650 per km (Reuters, 2025). However, these tariffs are often considered low considering fuel prices and other costs. On the other hand, when the platform runs fare discount promotions to passengers, often the discount is partially charged to the driver (in the form of reduced incentives). The combination of these factors

makes drivers' earnings highly fluctuating and difficult to predict. Certain months may be decent (e.g. there is a surge in orders during holidays or special bonuses), but other months plummet (e.g. during the rainy season or after the bonus is removed). The absence of a fixed salary makes their financial condition far from stable.

### **LACK OF MINIMUM WAGE AND BASIC INCOME GUARANTEE**

As a consequence of partnership status, online transportation gig drivers are not bound by minimum wage regulations like formal workers. In this partnership relationship, the company has no obligation to pay monthly wages, holiday allowances, or any basic income guarantee. There is no concept of a "minimum wage" for driver-partners – pure income is calculated from the results of daily work (wholesale per passenger). This is confirmed by the results of research that say that "partner" status is used by companies to avoid the obligation to provide minimum wages, health insurance, severance pay, overtime wages, leave rights, and decent working hours to drivers (Novianto, Wulansari, & Hernawan, 2021). The drivers are not paid; If one day they don't get any orders at all, then no revenue comes in that day. Even if they are sick or unable to work, the platform does not provide sick wages or paid leave.

The absence of this minimum wage guarantee means that the financial risk is entirely borne by the workers. In traditional jobs, employers bear the risk by continuing to pay salaries even when the company's orders are quiet, or by giving sick leave when employees are sick. In the gig model, the opposite is true: when there are no orders, the risk is borne by the driver (income drops dramatically); When the driver is sick or his vehicle is damaged, there is no income at all. There is no wage structure that guarantees drivers to earn at least a certain amount of income per month. An article in *The Conversation* (Novianto, Wulansari, & Hernawan, 2021) even proposed the need for a basic income guarantee for ojol, due to the number of days where their income is below a decent standard. However, until now this has not been realized.

As an illustration of the impact of the absence of a minimum wage: if the 2023 Jakarta Provincial Minimum Wage (UMP) is around IDR 4.9 million/month, an ojol driver in Jakarta could earn far below that without

violating any rules, because he is not an employee. The survey showed that many drivers earn IDR 1.5-3 million per month (below UMP) (Kompas, 2022). Income below this eligibility standard is common among gig workers, but there is no legal umbrella that prohibits or remedy it, because their employment relationship is outside the scope of labor law. This puts many drivers in the working poor category – they work full-time but remain poor or economically vulnerable. The economic vulnerability of online transportation gig workers is essentially sourced from the platform's business model that shifts the burden of costs and risks to individual workers without being offset by income guarantees. Next, it will be discussed how this volatile economic condition affects social aspects, especially the family life of drivers, as well as their non-economic welfare conditions.

## **SOCIAL IMPACT ON FAMILIES OF ONLINE TRANSPORTATION GIG WORKERS**

### **1. HOUSEHOLD ECONOMIC INSTABILITY**

Fluctuating and uncertain income from ojol work has a direct impact on the economic stability of drivers' households. Many drivers are the backbone of the family – for example, fathers who provide for their wives and children, or young people who help their parents. When daily income is not guaranteed, it is difficult for families to plan short-term and long-term finances. This economic instability can be seen from cases where drivers are unable to meet the basic needs of the family consistently. For example, during the pandemic, many ojol driver families experienced difficulties due to a drastic drop in income, forcing them to reduce expenses and even go into debt to meet their daily needs.

Without a fixed monthly salary, families cannot rely on a definite date to receive spending money. The income of a husband or wife who works as an ojol can be very good in the first week of this month, but it crashes in the following week. This makes it difficult to arrange regular bill payments (house rent, electricity, children's school, etc.) which are usually monthly intervals. Some families may try to set aside income on high days to cover the holidays, but high volatility makes it difficult to save consistently. The IDEAS survey shows that before the pandemic, drivers could earn >300 thousand a day (Badan Kebijakan Fiskal, 2021), but now most of them are only 50-100

thousand (BadanKebijakanFiskal, 2021). The decrease in the purchasing power of the driver's family is clearly occurring.

Furthermore, the absence of long-term job security makes the family's socio-economic position vulnerable. Ojol workers do not have permanent contracts; They can lose their source of livelihood at any time (for example, due to a breakup or an accident) without severance pay. For families, this means that there is no certainty that next month's income is still there. People in this precariat category find it difficult to make decisions that require financial certainty, such as home loans, investments in children's education, or even health planning. The economic risk of gig worker households is relatively high: one negative event (accident, severely damaged vehicle, prolonged illness) can result in a serious economic shock because there is no buffer from the company or adequate insurance coverage.

Several qualitative studies reported that the wives/husbands of ojol drivers had to make household economic adjustments such as reducing consumption, seeking additional income (e.g., trading small), or relying on the help of extended families, in order to get around income uncertainty. Children in such families can also be affected: delayed school payments, nutrition may be neglected when parents' incomes are falling, etc. This economic instability can in turn trigger other social problems, such as conflicts in the household or psychological stress (stress) for family members.

## **2. LACK OF SOCIAL SECURITY: HEALTH AND RETIREMENT**

As workers outside of formal employment relationships, Gojek/Grab/Maxim drivers generally do not have adequate employment social security. They are not automatically registered in social security programs such as BPJS Ketenagakerjaan (for work accident insurance, old-age/retirement insurance) or BPJS Kesehatan (national health insurance), unless they register independently as participants who are not wage earners. BPJS Employment data shows that only 250 thousand ojol drivers are protected by employment social security out of around 2 million drivers (around 12%) (Tirto, 2025). This means that 1.75 million drivers (88%) have not been protected by programs such as work accident insurance or old-age insurance (Tirto, 2025). This points to a protection gap: most of these gig

workers do not have the work accident insurance or retirement savings typically available to formal workers.

The absence of social security forces working families to bear various risks themselves. If the driver is sick or has an accident, there is no income compensation from the company. Even though the ojol profession is quite vulnerable: the risk of traffic accidents is high due to the intensity on the highway. It is not uncommon for us to hear news that the ojol driver has a fatal accident; According to the news, almost every day there are ojol drivers who die on the road due to accidents (Budiono, 2023). In such a situation, the victim's family faces a double tragedy: the loss of family members and the loss of a source of livelihood, without receiving severance pay or adequate compensation. App companies generally only provide voluntary assistance (e.g. internal fundraising) or per-trip microinsurance, which is very limited in value.

In terms of health insurance, the government does encourage all residents (including informal workers) to enter BPJS Kesehatan. Many drivers are self-registering for their families. However, BPJS's monthly contributions must be paid by themselves, and if the income is declining, there is often a delinquency of contributions that result in inactive membership status. The absence of employers who pay contributions makes the sustainability of family health insurance entirely dependent on the fluctuating financial capabilities of gig workers. Not to mention that BPJS Kesehatan only covers health care, not replacing the loss of income when sick. As a result, many drivers remain at work despite being mildly ill for fear of losing their daily income – a choice that can worsen long-term health conditions.

In old age/retirement, social problems also lurk. Gig workers don't have a pension guarantee. As long as they are strong and able to drive, they can make a living; But when age is aging or health conditions decline, there is no pension fund to support it. Unless they independently save (for example, participating in the JHT BPJS Employment program or saving personally), many drivers have the potential to fall into poverty in old age. The phenomenon of elderly ojol workers is starting to be seen – people in their 60s who are still attracting passengers because there is no other income. This indicates a lack of long-term social protection.

The lack of social security also means that families don't have a back-up when the main breadwinner is in trouble. There is no severance pay when the partnership breaks down; If a driver is dismissed from the platform (e.g. permanently suspended due to allegations of fraud or poor ratings), the company does not provide any financial compensation (Novianto, Wulansari, & Hernawan, 2021). This is far different from formal workers who are laid off and receive severance pay according to the Labor Law. Thus, gig worker families live in high socio-economic uncertainty – always on the lookout that at any time a source of livelihood could be lost without a safety net.

### **3. PSYCHOLOGICAL STRESS AND IMPACT ON FAMILY LIFE**

Unstable working conditions and long working hours have an impact on the mental health and family life of drivers. An average of 11 hours on the road each day means many drivers spend very little time with family on weekdays. Many of them go out in the morning before the child wakes up, returning late at night when the child is already asleep. This pattern, if it continues continuously, can reduce the quality of family relationships, for example, reduced parent-child interaction, or minimal time between husband and wife. Long working hours also lead to chronic physical fatigue (*chronic fatigue*) (ZAKKY, 2025), which can lead to irritability (easily ignited by emotions) at home and decrease patience in parenting. In addition, psychological stress due to income uncertainty has a significant impact. Living in uncertain conditions constantly creates great mental stress (Firdaus, 2025). Precariat workers such as ojol drivers often experience financial anxiety – worried about whether tomorrow they will be able to order enough, whether this month's income will be able to cover their needs. This stress can develop into long-term stress and contribute to mental health problems such as sleep disorders, feelings of inferiority, and depression. Public health research has found a correlation between ojol work and the risk of hypertension due to work stress (Nurwidhiana, Handari, & Latifah, 2020). Stress is also exacerbated by the demands of the algorithm: drivers feel that they must always be quick to accept orders (otherwise, performance drops), always be vigilant lest they get bad ratings, and so on. There is almost no sense of security at work – every day is like a "test of luck" on the streets.

For families, this condition can cause domestic tension. For example, when a husband's income decreases, a conflict can arise between husband and wife related to finances. Or when the father is too tired, communication with the child becomes less warm. There is also the phenomenon of work-life imbalance: because there is no clear boundary between working time and rest (drivers can continue to work for as long as they want), many are forced to work continuously for money and neglect to spend quality time with their families. Minimal rest time and irregular lifestyles (eating too fast on the street, lack of sleep) also have a negative impact on long-term health, which of course affects the family. Although there has not been much specific research, indications of this negative social impact have begun to receive attention. Some driver communities have started holding family meetings or sharing forums with psychologists to manage stress. Several NGOs and companies are also pushing for mental health support initiatives for gig workers. But as long as the root cause of economic uncertainty and excessive working hours remains unaddressed, this psychological pressure will continue to be a part of the daily life of gig workers' families. This shows that the issue of the gig economy is not just about income, but also about the quality of life of workers and their families.

## **STATE-PLATFORM–WORKER RELATIONS: REGULATIONS AND BARGAINING POSITIONS**

### **1. LACK OF REGULATION AND PROTECTION FROM THE GOVERNMENT**

The rapid development of the online transportation gig economy in Indonesia is not balanced with adequate labor regulations. Until the mid-2020s, the government did not have a special legal umbrella governing the status and protection of platform workers such as Gojek/Grab drivers. Existing regulations are more sectoral and partial, for example the Regulation of the Minister of Transportation No. 12 of 2019 jo. No. 4 of 2020 which regulates ojol fares and security aspects. The rules set the range of lower and upper limit rates per km in several regional zones, as well as the obligation to use standard jackets and helmets. While important, this rule does not directly touch on aspects of the driver's employment relationship or welfare.

In terms of employment, the government's position tends to classify ojol drivers as informal/independent workers, so they are subject to the general regulatory regime of informal labor. There has been no change in the labor law that recognizes the category of "platform workers" with certain rights. Efforts to draft a Law on Partnerships have emerged in the discourse, considering the increasingly widespread partnership model in various sectors (online motorcycle taxis, couriers, etc.) (Novianto, Wulansari, & Hernawan, 2021). But as of 2025, such a law has not been issued. As a result, there is a legal vacuum: drivers are not formal workers (and therefore not protected by the Labor Law), but their partnerships are also not fully regulated in detail. In practice, the government takes on the role of "light arbiter" – encouraging negotiations and issuing appeals, rather than harsh regulation. For example, when ojol drivers demonstrated demanding an increase in fares and a reduction in applicator cuts, the Ministry of Transportation responded by conducting a dialogue between driver representatives and applicators and adjusting the lower limit fare slightly (Liputan6, 2019). However, basic complaints such as employment status and social security have not been acted upon. The government reasoned that it needed to maintain a climate of digital innovation and investment, so that it tended to be soft on companies. Even the chairman of the drivers' association said there were "no sanctions" in the regulations for platforms that violate the provisions, and the government was too lenient on companies (Reuters, 2025). For example, the 20% commission limit for applicators is in the Ministerial Decree, but the supervision is weak and there are no clear sanctions if any platform pulls a larger cut. (Reuters, 2025)

This state-platform relationship shows the spirit of non-intervention in the style of neoliberalism (which is discussed further in the theoretical section). The government sees digital platforms as contributing to the provision of jobs for the "labor reserves" that the formal sector cannot accommodate (Novianto, Wulansari, & Hernawan, 2021). With that pretext, the state allows the market mechanism to work without strong intervention on labor justice for ojol/couriers (Tempo, 2025). Instead of tightening protections, the government often boasts of the gig economy as a future industrial innovation (SINDIKASI, 2020). This attitude has been criticized for ignoring the vulnerability of drivers. In the legal context, some experts note

that the current ojol partnership relationship is contrary to the existing law – for example, Law No. 20/2008 on MSMEs regulates the principle that partnerships must be mutually beneficial and equal (SYAIFUDIN, 2025), even though ojol partnerships are clearly unequal and dominated by companies. However, the enforcement of these rules is nil. There was no government effort to review the partnership agreement made by the platform, even though the content was unilateral.

One of the moments of government intervention that has been tried is the issue of limiting drivers' working hours for safety. The Ministry of Transportation had issued a regulation limiting daily operating hours (for example, a maximum of 12 hours on-bid per day) (Tirto, 2019), but this rule was later revoked/revised due to pressure from various parties. Many drivers themselves reject the hour restriction because they feel it reduces their chances of making a living. This case shows a regulatory dilemma: rules aimed at protecting workers because they are in an economically desperate position and are reluctant to limit their working hours. The government finally chose not to impose working hours rules, returning to the pattern of soft regulation. Overall, the lack of government regulation results in a protection gap for gig workers. The state does not have a strong presence in guaranteeing the basic rights of workers, so what applies is purely determined by the platform corporations through their standard partnership contracts.

## **2. PARTNER STATUS AND ABSENCE OF EMPLOYMENT LAW PROTECTION**

As already outlined, the platform company consciously classifies drivers as "independent partners" instead of employees. As a result, employment law does not apply in this relationship. The Employment Law (Law 13/2003 jo the Job Creation Law) regulates things like minimum wage, maximum working hours, leave rights, layoffs, etc. – but only for employment relationships between employers and workers. Because drivers are considered not workers (but business partners), they are not entitled to all of these protection provisions. This includes: no minimum wage, no overtime pays despite working >8 hours, no leave allowance, no rest time rules, no protection from arbitrary layoffs, etc. (Rahman, Santoso, & Astawa, 2024)

In fact, in terms of reality in the field, the characteristics of the platform-driver relationship resemble a traditional working relationship: drivers work on services that are the core business of the platform, are bound to the rules and control of the platform and are economically in a subordinate position (drivers cannot determine their own tariffs, for example). Some legal academics argue that there should be a de facto recognition that they are workers, or at least workers in a new category (self-dependent workers). However, until now there has been no legal breakthrough in that direction. Unlike in other countries such as the UK (Uber 2021 case) or Spain (Rider's Law 2021) where the court/government recognizes drivers as workers, in Indonesia there is no such legal precedent (Gozali, 2020). Indonesia's civil law system makes court decisions not necessarily broadly binding, so even if there have been lawsuits in industrial relations courts by drivers, the results have not changed much in general policy.

This partner status is called by the researcher "fake partnership", because in theory the partnership should be equal, but here the ojol partner is treated like a worker without rights (Tempo, 2025). The company uses the status as a shield to avoid normative obligations. The results of research by Universitas Gadjah Mada (IGPA) found 4 factors why the ojol partnership relationship is not true: all decisions are in the hands of the platform, work control by the platform, monopoly of data by the platform, and the relationship is not in accordance with the principle of partnership in the law (Conversation, 2021). In essence, the inequality of the relationship is very real: the platform has full power, while the driver has no voice or protection. From a legal perspective, the driver's position as an individual partner also makes it difficult for them to access the protection mechanisms available. For example, if there is a dispute (the driver is suspended unilaterally), they cannot complain to the Manpower Office because it is not formally an employment case. It is best to complain to the Ministry of Transportation or the consumer channel. Similarly they are not recognized in Social Security (except for self-registration as Non-Wage Earners), no formal labor union can represent them because the definition of labor does not include them. The absence of this legal recognition puts the driver in a very weak position legally.

There are few positive developments: some platforms have started encouraging drivers to join BPJS Employment voluntarily and provide small

premium subsidies. For example, Gojek in 2021 announced that hundreds of thousands of partners have been registered with BPJS TK through a collective program (Katadata, 2024). However, this is voluntary and not part of the employment contract, so it does not guarantee universal coverage. In short, the current status of partnerships creates a void of legal protection. The drivers are stuck in the grey zone: they are not formal workers (not protected by the Labor Law), but their partnership does not meet the elements of equal partnership as regulated by the MSME Law (Novianto, Wulansari, & Hernawan, 2021). This situation benefits platforms that can operate without the burden of labor obligations, but harm workers whose rights are neglected.

### **3. WEAK BARGAINING POSITION OF WORKERS AND COLLECTIVE MOVEMENTS**

In this de facto tripartite relationship between the state, the platform, and the workers, the bargaining position of gig workers is very weak. Platforms as "work" providers (by order) are in full control: they can set tariffs unilaterally, change bonus schemes at any time, add an unlimited number of new drivers, and implement new policies without consulting partners. While individual drivers have almost no power to protest – given that if one person tries to protest (e.g. rejecting a new rule), the company can easily cut off their access to the app without legal consequences. The switching cost of platforms to replace outgoing drivers is also low (many new applicants), so the threat of exit from drivers is not effective in suppressing the platform (Kamim & Khandiq, 2019). This makes collective threats (collective action) the only relatively effective way for drivers to voice their interests.

So, various communities and associations of ojol drivers were formed. The largest, GARDA Indonesia (Gabungan Aksi Roda Two) has mobilized several large demonstrations in Jakarta and other cities. There is also the Indonesian Transport Workers Union (SPAI) which is affiliated with the confederation of trade unions, trying to fight for the rights of ojol and online taxi drivers. Through the actions, the drivers have submitted seven demands, including the elimination of adverse policies (such as the *Bundling Orders* Grab "save orders"), reducing the application discount to 10%, establishing an income certainty scheme, and urging the government to make protection regulations (Reuters, 2025). The last protest for example occurred in May

2025, hundreds of drivers rallied in Jakarta demanding a fare increase and the rejection of the merger plan of GoTo (Gojek's parent) with Grab (Tempo, 2025). They affirmed the aspiration that the revenue share for drivers be increased to 90% and the platform cut to a maximum of 10%. Banners reading "Don't be greedy, 10% is enough for applicators" were unfurled in front of the palace (Bloomberg, 2025). This demand reflects deep dissatisfaction with the existing revenue-sharing scheme. The platform has so far responded with normative statements such as "we are open to driver input" but rejected the reduction of the cut on the grounds that it is not a long-term solution. The capacity to mobilize drivers is still limited and sporadic; Even though there are millions of drivers, there are only thousands of active organizations, and they are still fragmented between cities or between two-wheeled and four-wheeled ojols.

The weak bargaining position is also seen from a survey by UGM (2020) on drivers in Jakarta, Yogya, and Bali: 84.83% of respondents considered that every time there is a change in policy (tariffs, bonuses, deductions, sanctions) by the company, the change tends to be detrimental to the ojol party and benefit the platform (Novianto, Wulansari, & Hernawan, 2021). Only 8.97% felt that change sometimes benefited them. This shows that drivers are aware of inequality, but are powerless to prevent such unilateral policies. Algorithmic policies change frequently (e.g. bonus reductions or new, stricter incentive programs) and are usually protested by the driver community, but ultimately run because drivers have no choice but to accept them or leave the platform.

Nonetheless, there are early signs of an increase in collective awareness. The SPAI union, for example, is trying to bring the issue of ojol to the realm of the national labor movement. They advocated for the partnership status to be changed to permanent employees (one of the demands echoed in 2022–2023) (Tempo, 2025). This call faced strong resistance from companies – Gojek and Grab rejected on the grounds that partner status gives drivers the flexibility they want (Tempo, 2025). The company argues that the change in status will eliminate the freedom of working hours and actually harm drivers. Of course, from the workers' side, the demand for employee status is for the protection and certainty of rights. Until now, the government has tended to defend the company's flexibility argument. Thus, this tripartite relationship is

still uneven: the state has not exercised a strong protective role, a dominant platform with the power of capital and technology, while workers are scattered and fragmented. The collective efforts of gig workers are still in the early stages of building solidarity. It should be noted that this dynamic may change if, for example, political pressure forces the birth of new regulations or if the company realizes the importance of sustainability of relationships by improving the well-being of partners. The next section will analyze this phenomenon through the lens of precariat theory and political economy (Aritenang, 2017; Nurshafira & Alvian, 2018).

## **THEORETICAL ANALYSIS: DIGITAL PRECARIATS AND NEOLIBERAL CAPITALISM**

### **1. DIGITAL PRECARIAT: A NEW VULNERABLE WORKING CLASS**

The term precarious proletariat was introduced by the economist Guy Standing to describe the emergence of a new social class characterized by unstable and vulnerable working conditions (Polimpung, 2019). The precariat is a combination of the words "precarious" (uncertain) and "proletariat" (working class) (Polimpung, 2019), reflecting the reality of a group of workers living in constant uncertainty without adequate social security. Online transportation gig workers in Indonesia are very suitable to be categorized as part of the digital precariat – that is, the precariat that emerges in the context of the digital economy.

According to Standing, precariats are characterized by: (1) job uncertainty – working on short or odd contracts without long-term security; (2) low wages and minimal benefits – mediocre income and no additional benefits such as health insurance, paid leave, pension; (3) lack of social protection – lack of access to unemployment benefits or other social security; (4) limited social mobility – it is difficult to improve socio-economic status due to vulnerable working conditions; and (5) psychological stress – high stress due to uncertain life (Polimpung, 2019). All of these characteristics are evident in the profiles of ojol drivers: their daily contract work via the app (no long-term job security), their wages are on average low and without benefits (no basic salary, no insurance from the company) (Novianto, Wulansari, &

Hernawan, 2021); they are not adequately protected by the formal social security system; The prospect of moving up (e.g. becoming an entrepreneur or formal worker) is small because the skills used are specific and can *deskilling* (Fatmawati, Isbah, & Kusumaningtyas, 2019); and of course experiencing high psychological stress and insecurity. Therefore, theoretically, ojol drivers can be categorized as digital precariats, namely vulnerable groups of workers formed due to digital transformation in the labor market.

Standing also referred to precariats as the "new dangerous class" (*The New Dangerous Class*) because their state of frustration and alienation can trigger social/political turmoil later in life. The precariat feels marginalized from the social rights enjoyed by the traditional working class. In the context of Indonesian ojol, symptoms such as spontaneous demonstrations, collective anger against applicators, and the support of some drivers for figures/populism that promise change, can be understood as a manifestation of precarious dissatisfaction. These drivers are in a liminal position: not unemployed, but also not established workers – working hard but still vulnerable. In terms of identity, they also often do not feel part of the formal working class or the classic informal sector, but rather a separate entity with the attribute of "partner". This is in line with the concept of Standing that the precariat often loses the old class identity and is in isolation (anomie). In Indonesia, the discourse of digital precariats has been raised by researchers and activists since the late 2010s. Suryomenggolo (2021), for example, discusses the illusion of "being the boss for yourself" which actually plunges workers into algorithm-controlled precariats (an algorithmic world that adds vulnerability) (Indoprogress, 2021). In other words, the self-employed narrative offered by the platform turns out to mask the reality that partners are part of a new vulnerable working class in the digital economy.

## **2. FLEXIBILITY VS UNCERTAINTY: THE CONTRADICTIONS OF DIGITAL CAPITALISM**

The gig economy is often praised for offering flexibility: workers can decide when and how long to work, as well as choose which tasks, they want to perform. This flexibility is considered to be appropriate for modern working styles and gives individuals greater autonomy. However, as already described,

in the practice of the digital gig economy there is a fundamental contradiction: flexibility for workers is inversely proportional to the uncertainty and insecurity they bear. This phenomenon can be analyzed as part of the dynamics of neoliberal digital capitalism.

Within the framework of the neoliberal political economy, since the 1980s there has been a global push towards the deregulation of the labor market, flexibility, and individualization of labor relations. The state reduces intervention (non-intervention) and leaves it to market mechanisms with the argument of efficiency and freedom. Employees are directed to be *entrepreneur of themselves* – Managing the work and risks themselves. Gig platforms like Gojek/Grab are an extreme manifestation of this trend: they create a labor market *On-demand* where workers are treated like individual entities that compete freely for orders, while companies are only technology facilitators. This individualization and competition are deliberately shaped by neoliberal policies, and give birth to job vulnerabilities as seen in driver partners. For platform companies, *Flexibilization of Labor* It is advantageous because it means variable labor costs – paid per transaction only, no idle fees or long-term commitments. Business risks (low orders, economic crisis) are transferred to workers. Digital capitalism uses algorithmic technology to manage millions of freelancers as if they were employees, but without calling them employees. Here's the main contradiction: the promised flexibility – in the sense of not being bound by a fixed schedule – is actually paid dearly for the loss of income security, the certainty of decent working hours, and basic rights. Workers are free to manage their time, but if they want to earn enough, they are "not free" in addition to having to work long hours following algorithmically regulated demand patterns. The promise of decent and flexible jobs is not fulfilled in the reality of ojol.

The contradiction of flexibility vs uncertainty can also be seen from the narrative side: platforms promote themselves as providing *freedom* – "be our partner, work as you please, without a boss" – when in fact the app acts as an invisible boss. The algorithm determines when workers are eligible to order or not (for example, if they are considered less diligent, the order is circumscribed). Workers seem to be free to choose, but their choices are limited by incentives and sanctions. This is reminiscent of the concept of "algorithmic dictation" in the gig economy, where work control is even more detailed

through technology even though the outer wrap is flexible. From a worker's perspective, flexibility sometimes means the lack of clarity in personal work-time boundaries. Many drivers report difficulty separating when work and break time is due, as apps are always there and the need for money pushes them to keep working. Flexibility turned into a kind of "unlimited obligation" – no office hours but work could call at any time. This is the irony of platform capitalism: technology that is supposed to make life easier, in this context extends hours of exploitation beyond conventional limits.

On a broader scale, this contradiction begs the question: is this kind of gig model socially sustainable? Some international political economy theorists argue that this practice is part of the trend of global labor precarization under neoliberalism. Labor is made flexible so that capital is free, but if too many workers are in the precarious zone, purchasing power decreases and inequality increases, which in the long run is counterproductive to the economy (Kandogan & Johnson, 2024).

Research comparing the center vs. the periphery of capitalism shows that the conditions of gig workers in developing countries (such as Indonesia) are worse than in the center. Gig workers in Indonesia face long working hours, low wages, and lack of protection. This confirms that the flexibility here really pays off with the loss of most of the components *decent work*. Concept *decent work* (decent work) includes adequate wages, social protection, social dialogue, job security, etc., and almost all of them are absent from the gig ojol pattern. Ideologically, neoliberalism often heralds *Self-Regulating Market* and *entrepreneurial freedom*. The case of ojol shows the extreme implementation of that principle: the market (application) regulates employment relations, individuals are given pseudo-freedom while being forced to assume full responsibility. The state facilitates with non-intervention, and even legitimizes that the platform helps absorb unemployment so as to reduce the burden on the state. This answers the question of why the state plays a role in creating the vulnerability of ojol work instead of protecting it – because the policy paradigm is indeed neoliberal: encouraging market competition and private solutions to labor problems.

This dilemma of flexibility vs uncertainty is an internal contradiction of digital capitalism. On the one hand it is innovative and efficient, on the other hand it creates new social problems. International political economy sees

it as inextricably linked to capital accumulation strategies: platforms reduce global labor costs, tap into surpluses in developing countries, and avoid regulation by operating in gray areas (Lhutfi, et.al, 2024). As long as workers in peripheral capitalism such as Indonesia are willing to work in precarious conditions, global capital (including foreign investors in Grab/Gojek) makes huge profits. This is a manifestation of the "race to the bottom" in employment standards globally.

On the other hand, a wave of resistance is also beginning to appear. Concept "*Digital Labour Rights*" It is now being fought for by NGOs and unions at the global level. There are efforts to formulate decent work standards in the gig economy, for example the Fairwork Project report which provides ratings of platform working conditions in various countries. Fairwork Indonesia 2021, for example, assesses that Gojek and Grab are still very low in terms of decent wages and working conditions. This transnational pressure can trigger change gradually, especially if consumers and governments start to care. In closing, the contradiction between flexibility and uncertainty in Indonesia's online transportation sector reflects the core contradiction of neoliberalism (Fairwork, 2021): promises individual freedom but produces collective insecurity. The ojol drivers are a vivid illustration of the paradox – "free but bound", "independent but fragile". In the long run, solutions may be demanding *Recalibration* The role of the state and the platform for flexibility is no longer synonymous with precariousness. Otherwise, this digital precariat class will continue to grow, with all its socio-economic consequences.

## CONCLUSION

The study concluded that workers face economic instability, a downward trend, and vulnerability. Daily income fluctuates due to demand and platform policies, while high operational costs must be covered. There is no guaranteed minimum wage or basic income; many drivers work full-time but earn below a living wage. Within a classic industrial relations framework, this situation equates to overexploitation – long working hours of up to 11 hours per day with minimal remuneration and virtually no social security. The social impacts are also significant: household economic instability, lack of social security (only a small portion is covered by BPJS), and high psychological stress on workers and their families. Ojol drivers are in a

digitally vulnerable position, facing the uncertainties of daily life, which impacts their mental well-being and the quality of life of their families. Long hours and irregular work patterns disrupt work-life balance, reduce family time, and increase health risks. The relationship between the country, platforms, and workers has not been balanced until now. The government is lagging behind in providing protective regulations – the status of gig workers remains in the gray zone without labor law protections. Platform companies take advantage of this gap to reduce liability, calling drivers as partners to be free from responsibilities like employers. Meanwhile, workers seek to strengthen bargaining positions through collective action and advocacy, but their power is still far below the dominance of platform capital. The lack of state intervention, in accordance with the neoliberal policy pattern, actually contributes to this vulnerable condition.

Theoretically, the condition of Indonesia's gig economy reinforces the concept of precariat (Standing) as a new vulnerable and disorganized working class. Ojol drivers are a concrete example of the digital precariat – they are promised flexibility and freedom, but what they get is uncertainty and strict indirect controls. The contradiction of flexibility vs uncertainty is a hallmark of platform capitalism: flexibility for companies (in managing labor costs) leads to insecurity for workers. From a political economy perspective, this is a logical manifestation of global neoliberalism that encourages deregulation and individualization of workers, which in Indonesia is formed through state non-intervention policies and free market competition of labor.

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