Remote digital platform working may be exacerbating the global urban-rural divide
21 October 2022

Remote digital platform working may be exacerbating the global urban-rural divide in the digital platform labor market, according to new analysis from the Oxford Internet Institute.

Rather than heralding a new era of prosperity for rural and remote regions, remote working, inspired by the pandemic, is exacerbating the global urban-rural divide in the digital platform labor market, according to new analysis from the Oxford Internet Institute.

COVID-19 saw the rapid acceleration of workplace information and communication technologies, and the promise of remote work leading to work opportunities more evenly distributed between country and city and internationally.

But the new research, published in journal PLOS One, reveals remote work conducted via online labor platforms—such as Fiverr, Freelancer and UpWork—mirrors the geographical and skills-based polarization of labor markets, rather than spreading work more evenly.

The OII's Dr. Fabian Brasemann, lead author of the paper says, "Working from anywhere is not a technical problem anymore, thanks to digitally enabled remote work. But it remains an economic-institutional one. The remote labor market is globally polarized between countries, between urban and rural areas within countries, and in particular, between job types. So, if you live in a cosmopolitan area of a developed country, you are much more likely to be employed through the digital platforms."

According to the report, "Countries are globally divided: North American, European, and South Asian remote platform workers attract most jobs, while many Global South countries participate only marginally….remote jobs are pulled to large cities; rural areas fall behind."

He maintains today's findings point toward the connection between skills and place-bound institutions as enablers—even of remote work. People with access to specialized education, vocational training and local business opportunities—in other words urban dwellers—will be more likely to have in-demand, digital skills.

They will find ample opportunities in the remote labor market. People who do not have the same access to enabling institutions— in other words, people in rural regions—tend not to have the most relevant digital skills. They will have a hard time finding good remote jobs.

The report states, "The data shows that most countries in the Global South are only marginally connected to the global web of remote work in the platform labor market. Within countries, we find that remote work flows to urban centers. These are the places where highly skilled labor is concentrated. The economic tale of the 'booming metropolis' and the 'broken provincial city' plays out fully in the platform economy."

Key findings reveal the global polarization in remote labor markets:

- The majority of remote platform work comes from metropolitan areas in high-income countries.
countries such as North America, West Europe and Australia

- Most remote platform workers are located in urban areas in East Europe, South Asia and the Philippines
- Many countries in the Global South only marginally participate in the remote labor market
- Most of the high-value remote work goes to metropolitan areas: remote platform workers in capital regions earned between 24% and 53% more per hour than their counterparts in other regions.

The paper recommends:

- Platform apprenticeships for new remote workers:—assign first online jobs randomly to people without experience to build up their initial credibility
- Government-led digital work programs:—Embedding online work programs in rural areas into larger economic and labor market development schemes
- Foster enablers of remote work:—investments in reliable internet access, local employment opportunities and skill-building opportunities in rural areas
- Incorporate remote platform work into governmental processes:—advertising short-term remote jobs on platforms while promoting living wages
- Connect rural remote worker communities to global network flows:—set up co-working spaces and physical meeting points for platform workers to help with knowledge exchange and skill-building

Dr. Braesemann concludes, "We believe remote work can become an instrument of economic empowerment and growth. But, for this to happen, remote work needs to be embedded in broader economic and labor market development schemes, supporting disadvantaged regions to invest in local skill development and infrastructure. Only in regions that flourish locally, remote workers can succeed globally."
