Published by Yayasan Amerta Insan Unggul

DOI: 10.65246

p-ISSN 3063-9840 | e-ISSN 3063-8194

GoodWill Journal of Economics, Management, and Accounting

journal homepage: https://jurnal.amertainstitute.com/index.php/GoodWill/index



The Social Dimensions of a Potential GoTo-Grab Merger: A Review of Employment, Driver Welfare, and Regulatory Implications

Arya Jati Kusuma Al-Ansori[1]*, Eka Sudarmaji[2]
Universitas Pancasila
Email: jeka2723189@univpancasila.ac.id; esudarmaji@univpancasila.ac.id

ARTICLE INFO

Keywords:
Platform Consolidation; Gig Economy; Driver Welfare; Competition Regulation; Algorithmic Management.

Publication History:
Received: 18 May 2026
Screening: 18 June 2026
Review: 20 July 2026
Revision requested: 26 July 2026
Revised: 19 August 2026
Accepted: 20 October 2026

ABSTRACT

The proposed merger between GoTo and Grab represents a major potential consolidation in Southeast Asia's digital economy, raising concerns about market competition, employment dynamics, and driver welfare. If completed, the merger could give the combined entity more than 90% of Indonesia's ride-hailing market, highlighting the need to examine the adequacy of existing regulatory safeguards. This study examines the potential implications of the merger for employment, driver welfare, and regulatory effectiveness. It employed a structured and integrative literature review, synthesizing academic studies, industry reports, financial data, and policy analyses to assess labor conditions, platform profitability, and competition regulation. The findings indicated that drivers earned approximately Rp 2.2 million to Rp 4.0 million monthly, substantially below Jakarta's 2025 minimum wage of Rp 5.39 million. Both companies also demonstrated progress toward profitability by fiscal year 2025, with GoTo substantially reducing customer acquisition costs and Grab recording rising customer lifetime value, indicating differing levels of platform maturity. However, consolidation could create a quasi-monopsonistic labor market, weakening drivers' bargaining power and reducing competitive incentives. Indonesia's post-merger notification system also limits proactive regulatory intervention. This study contributes an integrated assessment of the economic, labor, and regulatory implications of platform consolidation. It recommends adopting a pre-merger or hybrid notification regime, strengthening labor protections, enforcing data portability, and improving algorithmic transparency to ensure that corporate efficiency does not come at the expense of worker welfare and fair market competition.

1. Introduction

The rapid expansion of digital platform economies has transformed urban mobility, employment structures, and market competition across Southeast Asia. In Indonesia, the ride-hailing and on-demand service industry is characterized by substantial market concentration, with GoTo and Grab emerging as its dominant players. Digital platforms operate as multisided ecosystems that connect different groups of users and facilitate interactions among them (Kenney & Zysman, 2016). This business model is particularly evident in ride-hailing services, where platforms coordinate drivers, passengers, and other stakeholders through digital infrastructures. Against this background, the proposed merger between GoTo and Grab represents a potentially significant development in Indonesia's digital economy, with implications extending beyond corporate strategy to broader socioeconomic conditions. The combined entity could control more than 90% of Indonesia's ride-hailing market, raising concerns about market concentration and the preservation of effective competition (Lie & Lie, 2026; Reuters, 2025). Policy analysis has similarly highlighted the risks associated with the emergence of a "super-dominant" platform, particularly regarding competition, innovation, and consumer welfare (Sutiyoso, 2025).

Although the proposed merger has not yet been formally approved or finalized, ongoing public discussions and policy analyses provide a basis for examining its potential social implications. Accordingly, this study considers a hypothetical consolidation scenario and draws on publicly available information to assess its possible consequences for employment dynamics, driver

DOI: 10.65246

welfare, and regulatory effectiveness in Indonesia. This approach is important because the implications of platform consolidation cannot be adequately assessed solely through corporate performance or anticipated operational efficiencies. The potential effects on workers, market structures, and regulatory capacity must also be considered to provide a more comprehensive understanding of the consequences of a major consolidation in the digital platform economy.

Digital mergers are frequently justified by the potential to improve operational efficiency, strengthen market positions, and support long-term business sustainability. However, these anticipated benefits must be evaluated alongside the possible social costs of increasing platform concentration. Within the platform economy, algorithms influence pricing, task allocation, performance evaluation, and access to work. These mechanisms can create asymmetrical power relationships between platforms and workers, potentially restricting workers' autonomy and increasing their dependence on platform operators (Dedema & Rosenbaum, 2024; Duggan et al., 2023). In a consolidated market, the reduced availability of competing platforms could further limit drivers' alternatives and weaken their bargaining positions. Recent policy and media discussions have also raised concerns about opaque pricing practices and reduced incentives for drivers following potential consolidation. These concerns indicate that the social implications of a merger extend beyond the number of competing firms to include the distribution of economic benefits and decision-making power within platform-based labor markets.

These issues are particularly relevant in Indonesia, where many workers rely on the gig economy for employment and income generation. Although ride-hailing platforms can expand access to work and provide flexible earning opportunities, existing research has identified persistent concerns regarding income instability, employment insecurity, and inadequate social protection among gig workers (Heeks et al., 2021; Wood et al., 2019). Such vulnerabilities are closely connected to workers' dependence on platform decisions, algorithmic management, and prevailing market conditions. When workers have limited alternatives for obtaining income, the concentration of platform ownership may further intensify their dependence on a smaller number of service providers. A potential GoTo–Grab merger could therefore exacerbate existing labor-market vulnerabilities, particularly if stronger competition safeguards and labor protections are not established. Examining driver welfare alongside market concentration is consequently essential to understanding whether consolidation would generate benefits that are distributed equitably among platforms, workers, and consumers.

Despite growing academic and policy attention to digital platforms, gig work, and competition regulation, these issues are frequently examined separately. Research on platform economies commonly emphasizes business models, operational efficiency, and innovation, whereas studies of gig work focus on employment insecurity, worker autonomy, and social protection. Meanwhile, competition-policy analyses primarily examine market concentration and regulatory oversight. This fragmentation leaves insufficient understanding of how platform consolidation may simultaneously influence labor-market power, driver welfare, and the effectiveness of competition regulation. The gap is particularly important in Indonesia, where the regulatory framework governing digital platform mergers raises questions about the timing and effectiveness of regulatory intervention. Specifically, the relationship between the potential concentration of ride-hailing services, drivers' economic vulnerability, and the limitations of post-merger notification requires integrated examination. Addressing this gap is necessary to evaluate the potential social consequences of consolidation and identify regulatory measures capable of protecting workers while preserving competitive market conditions.

In response to this research gap, this study aims to provide an integrated assessment of the potential social implications of the proposed GoTo–Grab merger in Indonesia, focusing on three interconnected dimensions: employment dynamics, driver welfare, and regulatory effectiveness. It addresses the following research questions: (1) How might the proposed merger affect employment conditions and drivers' economic welfare? (2) How could increased market concentration influence competition and drivers' bargaining power? and (3) To what extent does Indonesia's existing regulatory framework provide adequate safeguards against the potential social risks of platform consolidation? To

DOI: 10.65246

answer these questions, the study employs a structured and integrative literature review that synthesizes academic research, industry analyses, financial information, and policy discussions.

This study contributes theoretically by connecting research on digital platform governance, labor-market vulnerability, and competition regulation within an integrated analytical framework. Rather than treating corporate consolidation, employment conditions, and regulatory effectiveness as separate issues, it examines their interrelationships to explain how changes in market structure may affect workers and the broader platform ecosystem. Practically, the study provides policy-relevant insights for competition authorities, labor policymakers, platform operators, and other stakeholders concerned with the governance of digital markets. Its novelty lies in its integrated examination of the potential consequences of the GoTo–Grab merger through the combined perspectives of employment, driver welfare, and regulatory effectiveness in the Indonesian context. The findings are intended to inform policy measures that strengthen merger oversight, improve labor protection, and preserve fair competition while recognizing the economic significance of digital platforms.

2. Literature Review

2.1. Conceptual and Theoretical Foundations

2.1.1. Platform Consolidation and Market Power

Digital platforms have transformed market structures by functioning as intermediaries that connect multiple groups of users. Their business models benefit from network effects and economies of scale, which can strengthen the position of established firms, increase barriers to entry, and contribute to market concentration (Kenney & Zysman, 2020). In this context, mergers and acquisitions may further strengthen market power by reducing competitive pressure and increasing control over pricing mechanisms, data, and platform governance. Consequently, platform consolidation should be understood not only as a corporate strategy but also as a structural change with broader economic and social implications.

Traditional competition models may be insufficient to capture the distinctive characteristics of digital markets, particularly the interdependence between data collection, value creation, and cross-subsidization mechanisms (Crémer et al., 2019). These characteristics complicate the assessment of market dominance because platform competition involves interactions among multiple user groups rather than competition based exclusively on prices. The Indonesian ride-hailing industry illustrates the significance of these dynamics. Its market size was projected to reach USD 3.77 billion in 2025, USD 4.04 billion in 2026, and USD 5.67 billion in 2031, with a compound annual growth rate of 7.05% during 2026–2031 (Mordor Intelligence, 2026). These projections demonstrate the economic significance of the sector and the importance of examining how consolidation may influence market competition and stakeholder outcomes.

2.1.2. Gig Economy and Driver Welfare

The gig economy provides flexible access to income-generating opportunities, but this flexibility does not necessarily guarantee economic security or adequate labor protection. Research has identified income instability, limited employment security, and insufficient social protection as persistent challenges in platform-mediated work (Heeks et al., 2021; Wood et al., 2019). The Fairwork framework evaluates platform work against principles including fair pay, fair conditions, and fair representation, highlighting the potential gap between platform employment practices and decent-work standards (Heeks et al., 2021).

These concerns are particularly relevant to ride-hailing drivers, whose earnings depend on market demand, competitive conditions, platform policies, and pricing mechanisms. When platforms can adjust incentives and operational policies, drivers may experience fluctuations in income without having equivalent control over the factors determining their earnings. The resulting vulnerability is structural because workers' economic prospects depend partly on decisions made by platform operators. A potential GoTo–Grab merger could intensify these challenges if reduced competition limits drivers' alternatives for obtaining work and weakens their bargaining power. Driver welfare must therefore be considered alongside market efficiency when assessing the potential consequences of platform consolidation.

2.1.3. Algorithmic Management and Labor Control

Algorithmic management refers to the

DOI: 10.65246

organization and supervision of work through data-driven systems that influence task allocation, pricing, performance evaluation, and access to future work opportunities. Unlike conventional managerial arrangements, these systems exercise control through digital mechanisms that may not be fully transparent to workers. Research indicates that algorithmic management can create power asymmetries because workers often have limited information about decision-making processes and limited opportunities to challenge platform decisions (Adekoya et al., 2023; Duggan et al., 2023).

This form of management complicates the distinction between worker autonomy and platform dependence. Although ride-hailing drivers may be classified as independent contractors, their behavior can be influenced by incentive structures, rating systems, and performance-related penalties. These mechanisms may encourage longer working hours, income-maximizing strategies, and risk-taking to maintain earnings or satisfy platform requirements (Lefcoe et al., 2023). Algorithmic management can therefore reproduce hierarchical forms of labor control without establishing conventional employment relationships. When combined with increased market concentration, these mechanisms may further restrict drivers' practical autonomy and ability to respond to unfavorable working conditions.

2.2. Review of Empirical Studies

Previous research on digital platforms, gig work, and algorithmic management identifies several interconnected patterns relevant to the potential GoTo–Grab merger. First, studies of digital platform structures emphasize how network effects, economies of scale, and data-related advantages can reinforce market concentration and create barriers for competing firms (Kenney & Zysman, 2020; Crémer et al., 2019). These perspectives provide a basis for examining why consolidation may affect competition beyond the immediate reduction in the number of market participants. However, the implications of such structural changes for workers cannot be fully understood through market concentration alone.

Second, research on gig work highlights the tension between employment flexibility and worker welfare. Heeks et al. (2021) evaluate gig work in relation to decent-work principles, while Wood et al. (2019) identify challenges associated with platform-based employment and worker vulnerability. Together, these studies indicate that access to flexible work does not automatically ensure stable earnings, adequate social protection, or effective representation. Nevertheless, the relationship between these existing labor vulnerabilities and the potential effects of a major platform merger requires further examination, particularly in Indonesia's ride-hailing sector.

Third, studies of algorithmic management explain how digital systems influence workers' daily activities and employment-related decisions. Duggan et al. (2023) examine algorithmic human resource management and control from the perspective of app-based workers, while Adekoya et al. (2023) address the implications of algorithmic management for employment relationships. Lefcoe et al. (2023) further highlight behavioral consequences associated with platform-based performance mechanisms. Collectively, these studies suggest that the effects of platform governance extend beyond technological coordination to influence workers' autonomy and economic behavior. However, algorithmic management and market consolidation represent related but distinct mechanisms: the former concerns how platforms organize and control work, whereas the latter may alter the competitive conditions under which those mechanisms operate.

The Indonesian ride-hailing market provides a relevant context for integrating these perspectives. Industry projections indicate continued market expansion (Mordor Intelligence, 2026), while the literature on platform work identifies persistent concerns about income security and labor protection (Heeks et al., 2021; Wood et al., 2019). Considered together, these findings suggest that market growth and employment accessibility should not be treated as sufficient indicators of worker welfare. The social implications of consolidation also depend on whether drivers retain meaningful alternatives, whether platform decisions remain contestable, and whether regulatory arrangements adequately address changes in market power. The existing literature establishes the relevance of these concerns but does not, within the sources reviewed here, provide a sufficiently integrated assessment of their interaction in the specific context of a potential GoTo–Grab merger.

2.3. Identification of the Research Gap

DOI: 10.65246

The literature reviewed above reveals three related limitations. First, research on digital platforms and competition emphasizes network effects, economies of scale, market concentration, and barriers to entry, but these structural perspectives do not fully explain how consolidation may affect the economic position of platform workers (Crémer et al., 2019; Kenney & Zysman, 2020). Second, studies of the gig economy examine income instability, inadequate social protection, and the limitations of flexible employment, but these concerns are not always connected to changes in market structure (Heeks et al., 2021; Wood et al., 2019). Third, research on algorithmic management explains how digital systems influence work allocation, performance assessment, and worker autonomy, yet the relationship between these control mechanisms and the consequences of industry-wide consolidation remains insufficiently integrated (Adekoya et al., 2023; Duggan et al., 2023; Lefcoe et al., 2023).

These limitations are particularly important in Indonesia, where the ride-hailing industry has substantial economic significance and the potential GoTo–Grab merger raises concerns about the interaction between market dominance, labor vulnerability, and regulatory effectiveness. An analysis that considers only competition, employment, or algorithmic control separately may overlook how these dimensions reinforce one another. The principal research gap is therefore the limited integration of platform market power, driver welfare, algorithmic labor control, and regulatory effectiveness in assessing the potential social implications of a major ride-hailing merger in Indonesia.

This study addresses the gap through a structured and integrative literature review that synthesizes academic research, industry information, and policy analysis. Its contribution lies in bringing these previously fragmented dimensions into a common analytical discussion to assess the potential consequences of the proposed GoTo–Grab merger. The study consequently offers a policy-oriented perspective on how market consolidation may influence employment conditions, driver welfare, and the effectiveness of regulatory safeguards.

2.4. Development of the Conceptual Framework

This study uses an integrated conceptual framework to organize the analysis of the potential social implications of the proposed GoTo–Grab merger. The framework is based on three interconnected analytical dimensions: platform consolidation and market power, gig-economy employment and driver welfare, and algorithmic management and labor control. Regulatory effectiveness provides an additional institutional dimension for evaluating whether existing safeguards can address the risks associated with changes in market structure.

Platform consolidation and market power concern the potential effects of a merger on competition, market concentration, entry barriers, and drivers' ability to access alternative platforms. The gig-economy and driver-welfare dimension focuses on income security, working conditions, employment opportunities, and bargaining power. Algorithmic management and labor control concern how platform systems influence pricing, task allocation, performance evaluation, and workers' practical autonomy. Regulatory effectiveness concerns the capacity of existing competition and labor-related arrangements to respond to these potential changes.

The framework treats these dimensions as analytically interconnected rather than as statistically measured variables. Increased market concentration may reduce competitive alternatives for drivers, while algorithmic management may influence how workers experience changes in incentives, earnings, and working conditions. Regulatory effectiveness is considered in relation to the extent to which institutional safeguards can mitigate these potential risks. These relationships guide the synthesis and interpretation of the available literature without presuming that the proposed merger has already occurred or that its effects have been empirically established.

2.5. Hypotheses or Research Propositions

This study does not formulate statistical hypotheses or formal research propositions. The research employs a structured and integrative literature review with thematic synthesis rather than a quantitative design that tests relationships among variables using primary empirical data. Accordingly, the conceptual framework serves as an analytical guide for organizing the literature and examining the potential relationships among platform

DOI: 10.65246

consolidation, market power, driver welfare, algorithmic management, and regulatory effectiveness. The analysis remains exploratory and focuses on synthesizing existing evidence and identifying policy implications rather than establishing causal effects through hypothesis testing.

3. Research Methods

3.1. Research Design

This study employed a structured and integrative literature review combined with thematic synthesis to examine the potential social implications of platform consolidation in Indonesia's ride-hailing industry. This design was selected to integrate evidence from three interconnected domains: the gig economy, digital platform competition, and policy research. Given that the proposed GoTo–Grab merger had not been formally completed within the scenario examined, primary empirical data collection was not undertaken. Instead, the study analyzed secondary sources to assess the potential implications of consolidation for employment dynamics, driver welfare, market power, and regulatory effectiveness.

3.2. Research Context and Setting

The study focused on Indonesia's ride-hailing industry, particularly the potential consolidation of GoTo and Grab. Indonesia was selected as the research context because the proposed merger raises important questions about market concentration, employment conditions, and the effectiveness of competition regulation in a rapidly developing digital platform economy. The analysis also considered the broader Southeast Asian context where relevant to interpreting industry developments and regulatory practices. The geographical and sectoral focus enabled the study to examine the potential social implications of platform consolidation within a specific national regulatory environment.

3.3. Population and Sample / Research Participants

As a literature-based study, this research did not involve a human participant population or a sample of individual respondents. Instead, the analytical material consisted of relevant academic publications, industry reports, policy documents, financial disclosures, and credible news articles. Materials were selected purposively according to their relevance to the study's principal themes: platform consolidation, driver welfare, market power, and regulatory frameworks. Particular attention was given to publications and documents addressing Indonesia and Southeast Asia. Foundational theoretical works were also included when necessary to establish the conceptual basis of the analysis. No numerical sample size for the reviewed documents was specified in the original research design.

3.4. Data Sources and Data Collection

The study relied exclusively on secondary data obtained from multiple documentary sources. These included peer-reviewed academic literature, industry reports, policy publications, credible news articles, publicly available annual reports, financial statements, and earnings presentations from GoTo and Grab covering fiscal years 2021–2025. These materials provided information relevant to platform performance, market dynamics, driver welfare, employment conditions, and regulatory arrangements.

Document selection was guided by the relevance of each source to the research objectives, its contextual applicability to Indonesia or Southeast Asia, and its contribution to understanding the potential consequences of platform consolidation. The study incorporated both theoretical literature and practical evidence to support an integrated assessment of the economic, labor-related, and regulatory dimensions of the proposed merger. The original methodology did not specify a database search strategy, search strings, a formal screening protocol, or a predefined document inclusion and exclusion procedure.

3.3. Measurement of Variables and Research Instruments

This study did not operationalize variables using quantitative measurement scales or standardized survey instruments because it did not involve primary quantitative data collection. Instead, the principal concepts were examined through thematic categories derived from the research objectives and the reviewed literature.

The analytical categories comprised four dimensions: (1) driver income and working conditions, (2) job creation and labor market effects,

DOI: 10.65246

(3) stakeholder implications, and (4) the adequacy of Indonesia's competition regulatory framework. Platform consolidation and market power were examined in relation to competition, market concentration, and platform governance, while driver welfare was assessed through the available evidence on earnings and working conditions. Regulatory effectiveness was examined through the analysis of Indonesia's post-merger notification system and relevant international practices. These categories served as an organizing framework for the documentary analysis rather than as statistically measured variables.

3.6. Data Analysis Techniques

The collected materials were analyzed using thematic synthesis to identify recurring patterns, common findings, and cross-cutting issues across the different sources. The analysis focused on the relationships among platform consolidation, market power, driver welfare, employment dynamics, and regulatory effectiveness. Evidence from academic publications, industry reports, financial disclosures, and policy documents was compared to identify areas of convergence and differences in the interpretation of potential merger outcomes.

Comparative analysis was also undertaken where sufficient information was available. In particular, the study compared reported driver earnings with regional minimum wage benchmarks and examined Indonesia's post-merger notification framework in relation to international regulatory practices. Financial and industry information was used to contextualize the strategic positions and market developments of GoTo and Grab. The findings were interpreted through a critical synthesis of existing evidence rather than statistical hypothesis testing, reflecting the study's literature-based design.

3.7. Validity, Reliability, and Trustworthiness

The trustworthiness of the analysis was supported by drawing on multiple types of documentary evidence, including academic publications, industry reports, company financial disclosures, policy documents, and credible news articles. The use of different source categories enabled the study to compare perspectives and contextualize findings across the economic, labor, and regulatory dimensions of the research problem.

The relevance of the selected materials was assessed in relation to the study's principal themes and geographical focus. Comparative analysis was used where the available evidence permitted, particularly for driver earnings, minimum wage benchmarks, financial performance, and regulatory practices. Nevertheless, the original methodology did not specify a formal quality appraisal instrument, independent duplicate screening, inter-coder agreement assessment, or a systematic procedure for resolving conflicting evidence. Accordingly, the findings should be interpreted as a critical synthesis of available documentary evidence rather than as the outcome of a formally registered systematic review.

3.8. Ethical Considerations

The study relied on publicly available secondary sources and did not involve direct interaction with human participants, interviews, surveys, or the collection of identifiable personal data. Consequently, informed consent and participant confidentiality procedures were not applicable to the research activities described in the original methodology. Academic integrity was maintained by identifying the sources used in the analysis and distinguishing the evidence available in existing publications from interpretations of the potential consequences of the proposed merger. The study's hypothetical scenario was treated as an analytical basis for evaluating possible outcomes rather than as confirmation that the merger had been completed.

3.9. Research Procedure

The research process consisted of four interconnected stages. First, the research problem and analytical scope were established by identifying the potential social implications of the proposed GoTo–Grab merger in Indonesia. Second, relevant documentary materials were selected from academic literature, industry publications, company financial disclosures, policy documents, and credible news sources. Third, the selected materials were organized according to the principal analytical themes: driver income and working conditions, job creation and labor market effects, stakeholder implications, and regulatory effectiveness. Fourth, thematic synthesis and comparative analysis were conducted to identify recurring findings, relationships among the analytical dimensions, and potential policy implications. The resulting interpretation was developed by integrating

DOI: 10.65246

the available evidence while accounting for the hypothetical nature of the proposed consolidation.

3.10. Methodological Limitations

Several methodological limitations should be acknowledged. First, the study relied exclusively on secondary sources and did not collect primary data from ride-hailing drivers, platform representatives, consumers, or regulatory authorities. Consequently, the analysis could not directly measure individual experiences or establish causal relationships between platform consolidation and changes in employment or driver welfare. Second, the proposed merger was examined as a hypothetical scenario, meaning that the potential consequences discussed in this study should not be interpreted as observed post-merger outcomes.

Third, the analysis depended on the availability, quality, and comparability of existing documentary evidence. Differences in reporting methods, geographical coverage, and definitions across sources may limit the direct comparability of some findings. Fourth, although the study employed thematic synthesis, the original methodology did not specify a formal systematic search protocol, a predetermined sample of documents, or a standardized quality appraisal procedure. These limitations restrict the reproducibility and comprehensiveness of the review. Future research could address them through transparent systematic review procedures, interviews or surveys involving relevant stakeholders, and longitudinal or comparative analyses conducted after major platform consolidations.

4. Results and Discussion

4.1. Research Results

4.1.1. Sample Description and Descriptive Statistics

This study analyzed secondary information concerning the proposed GoTo–Grab merger in Indonesia's ride-hailing industry. The units of analysis comprised driver earnings and working conditions, the financial performance of GoTo and Grab during fiscal years 2021–2025, customer acquisition and retention indicators, employment and market expansion dynamics, operational synergies, stakeholder interests, and regulatory arrangements. Because the study employed a structured and integrative literature review, it did not involve a survey sample or individual research respondents.

The descriptive evidence indicated a substantial difference between estimated driver earnings and Jakarta's 2025 minimum wage benchmark. Drivers were reported to earn approximately Rp 100,000–Rp 150,000 per day while working 10–12 hours, corresponding to estimated monthly earnings of Rp 2.2 million–Rp 4.0 million over 22 working days (Teresia & Asprihanto, 2025). The estimated monthly earnings were below Jakarta's 2025 minimum wage of Rp 5.39 million (Jobstreet, 2025).

The financial information also indicated improvements in the performance of both platforms. GoTo recorded a net profit of USD 89.6 million in FY2025, while Grab recorded a net profit of USD 200 million. Their customer-related indicators showed different trajectories: GoTo's estimated customer acquisition cost declined substantially, whereas Grab's estimated customer lifetime value increased over the period examined.

4.1.2. Data Quality and Preliminary Analysis

Because this study relied on secondary documentary evidence and thematic synthesis, statistical tests of normality, multicollinearity, internal consistency, and model fit were not applicable. The analysis did not estimate a statistical model or test relationships among variables using primary survey data.

The documentary analysis drew on academic literature, industry information, company financial reports, financial statements, earnings presentations, policy publications, and credible news sources. Comparisons were conducted where the available information permitted, particularly in relation to driver earnings and minimum wage benchmarks, company financial performance, customer acquisition costs, customer lifetime value, and promotional dependency.

The customer acquisition cost and customer lifetime value estimates were derived from company disclosures using an artificial intelligence-assisted estimation model and were subsequently verified by the authors, as indicated in the respective table sources. These indicators should therefore be interpreted as estimates rather than as independently audited measurements. The original study did not report a formal statistical validation procedure for these estimates.

DOI: 10.65246

4.1.3. Main Analytical Results

a. Driver Welfare: Income, Working Conditions, and Earnings Comparison

The welfare of ride-hailing drivers is one of the key areas to consider when discussing the social implications of the proposed consolidation of GoTo and Grab platforms. This area is particularly significant in view of the role market structures play in shaping workers' lives in platform-based economies. Although gig platforms tend to be known for flexible wages and easy access to jobs, empirical evidence shows that, alongside such flexibility, income instability, insufficient labor regulations, and unequal power relations entrenched in algorithms are often common occurrences.

According to Teresia and Asprihanto (2025), drivers who work for ride-hailing companies in Indonesia make on average Rp 100,000-Rp 150,000 per day working approximately 10-12 hours a day. This corresponds to earning of about Rp 8,300-Rp 15,000 per hour which does not meet labor standards. In monetary terms, monthly income amounts to around Rp 2.2 million-Rp 4.0 million considering 22 days a month. This means that many workers receive wages that are close to or below the regional minimum wage thresholds.

Comparison with regional minimum wages (Upah Minimum Provinsi, UMP) illustrates the gap in wages. For instance, the minimum wage in Jakarta in 2025 is expected to be about Rp 5.39 million monthly and Rp 30,650 per hour based on an eight-hour workday (Jobstreet, 2025). Even with relatively low minimum wages in certain provinces, the effective hourly wages for drivers turn out to be significantly lower than the official hourly wages calculated using the eight-hour work schedule. Thus, despite being classified as independent contractors, some drivers have salaries below the minimum wage rate. This conclusion is supported by the results of other studies on gig economies that point out to income instability and underpayment as distinctive traits of platform economies (Heeks et al., 2021; Wood et al., 2019).

Table 1. Driver Earnings vs. Regional Minimum Wage Benchmarks in Indonesia (2025)

Metric	Estimated Driver Earnings	Jakarta UMP 2025
Daily earnings	Rp 100,000–150,000 (10–12 hrs)	Rp 245,909 (8 hrs standard)
Hourly earnings	Rp 8,300–Rp 15,000	Rp 30,650
Monthly earnings (22 days)	Rp 2.2 million–Rp 4.0 million	Rp 5.39 million

Source: Teresia and Asprihanto (2025); Jobstreet (2025). Compiled by authors.

This difference cannot be attributed to market forces alone, as the earnings are greatly influenced by governance on platforms. Earnings will rely on an algorithmic pricing system, commission policy, and incentives, among other factors, which are under the control of platforms. While regulations limit the amount of commissions to twenty percent, the drivers argue that companies sometimes go past this statutory limit (Teresia & Asprihanto, 2025). This is indicative of the fact that the control of the workers' activities is indirect and is conducted through an algorithm-based decision-making process on the allocation of tasks, pricing, and performance assessment (Adekoya et al., 2023). This implies that the drivers operate in a setting characterized by a degree of uncertainty and earnings variance, and it supports the concept referred to as "algorithmic precarity" (Chan, 2022).

The variability of earnings is further intensified by competitive pressures within the platform ecosystem. As more and more drivers join, the earnings per driver fall due to saturated markets and declining demand for each driver individually. Research has demonstrated that earnings for drivers working in platforms such as ride-hailing services are highly uncertain and determined by both demand-related issues and market structures, varying significantly from time to time and from one setting to another (Fielbaum & Tirachini, 2020). This creates an inherently uncertain working environment where workers need to work longer or take risks to maintain their incomes, accepting even worse assignments (Lefcoe et al., 2023).

With the possibility of a merger between GoTo and Grab, the identified problems will definitely be exacerbated. The consolidation of the market will significantly reduce the competition among the platforms, which will, in turn, affect drivers' ability to practice multi-homing, that is, working across multiple apps simultaneously. In

DOI: 10.65246

essence, this will transform the labor market from a competitive platform environment to a more quasi-monopsonistic market, where a single company exercises considerable leverage on the working conditions. In such a scenario, drivers face reduced bargaining power, as the option to switch platforms in response to unfavorable policies becomes constrained.

A dominant platform would typically enjoy a larger freedom in varying commission fees, changing incentives, or altering the pricing system algorithmically without being limited by any competitive pressures. The findings from industry research and past mergers confirm that platform consolidation may decrease incentives for drivers and increase the value capture through the increased rate of commission fees (Ng & Ong, 2026). In addition to this, the obscurity of the platform algorithms makes it difficult for the drivers to foresee any such alterations, further reinforcing asymmetrical power relations.

Apart from the income impacts, there might be worsening issues related to work. Acceptance rate, cancellation rate, and client rantings are the performance metrics that rely on algorithms. These metrics put subtle pressure on workers to accept poor working conditions in order to be able to stay on the platforms. Previous studies showed that such a system might lead drivers to certain behaviors, such as working longer hours, being stressed, and taking risks to gain stability in their income (Lefcoe et al., 2023). These behaviors are likely to increase due to the dependency on a single company in a more consolidated market environment.

In conclusion, the merger being proposed may serve to exacerbate some of the structural issues facing the gig economy, particularly concerning income adequacy, job security, and worker autonomy. While platform economies have always been celebrated for providing more opportunities for employment, there has been considerable discussion about whether such jobs provide value to employees. Based on the presented evidence, it can be stated that without proper regulatory safeguards, more market consolidation could result in increased dominance by the platforms at the expense of worker welfare.

b. Financial Trajectories and Market Position of GoTo and Grab

An analysis of the financial health and strategic positioning of GoTo and Grab is necessary in order to gain an understanding of the social consequences associated with the potential merger between the two companies. Both GoTo and Grab have displayed positive trends in their finances, though profitability remains elusive for both.

Table 2. Consolidated Financial Summary: GoTo (FY2021–FY2025, in USD millions)

Financial Indicator	GoTo FY2021	GoTo FY2022	GoTo FY2023	GoTo FY2024	GoTo FY2025
Net Revenue	317,9	729,0	960,3	985,1	1.093,1
Net Income (Loss)	(1.572,1)	(2.595,7)	(5.879,0)	(338,7)	89,6
Total Liabilities	1.129,3	1.059,5	1.193,6	793,6	1.017,0
Total Liabilities	10.873,5	8.942,8	3.513,5	2.677,9	2.730,0
Total Assets	9.744,1	7.883,3	2.319,9	1.884,3	1.713,0
Operating Cash Flow	(1.029,7)	(1.105,3)	(280,9)	(38,6)	18,3

Source: Annual Report of GoTo (FY2021–FY2024) & Financial Statements of GoTo (FY2025). Compiled by authors.

Table 3. Consolidated Financial Summary: Grab (FY2021–FY2025, in USD millions)

Financial Indicator	Grab FY2021	Grab FY2022	Grab FY2023	Grab FY2024	Grab FY2025
Net Revenue	675,0	1.433,0	2.359,0	2.797,0	3.370,0
Net Income (Loss)	-3.555,0	-1.740,0	-485,0	-158,0	200,0
Total Liabilities	3.159,0	2.513,0	2.324,0	2.944,0	5.226,0
Total Liabilities	11.178,0	9.170,0	8.792,0	9.295,0	11.983,0
Total Assets	8.019,0	6.657,0	6.468,0	6.351,0	6.757,0
Operating Cash Flow	-938,0	-798,0	86,0	852,0	79,0

Source: Annual Report of Grab (FY2021–FY2025). Compiled by authors.

DOI: 10.65246

GoTo had significantly reduced its net loss in FY2024 compared to FY2023, which had been USD 5.88 billion, and turned into a net profit in FY2025 amounting to USD 89.6 million, thus indicating a complete turnaround in operations for GoTo. Similarly, Grab was able to turn its annual operations into profits in FY2025, amounting to a total net income of USD 200 million. Both companies were also able to positively impact their operating cash flows, where GoTo turned positive for FY2025 with an operating cash flow of USD 18.3 million, and Grab continued to have excellent cash operations during the period FY2023-FY2025. These improvements reflect a broader shift by both companies from aggressive growth strategies toward profitability and operational efficiency.

The key financial ratios further shed light on the competitiveness of the two companies. GoTo's Debt-to-Equity Ratio (DER) stands at around 36% while Grab has a ratio of 47%, suggesting that it is relatively conservative with regard to its capital structure. In terms of price-to-earnings ratio, GoTo's 5-year average of 7.92 contrasts with Grab's negative figure of -12.27, reflecting differences in earnings expectations and profitability trajectories. The Gross Profit Margin (GPM) of GoTo is 51%, while that of Grab is 86%, which reflects a structural difference in business composition and revenue quality. Grab's lower operating loss margin of -70 percent compared to GoTo's -169 percent reflects tighter cost management at the operational level.

Table 4. Key Financial Ratios: GoTo and Grab (5-year average)

Rasio	Basis	GoTo	Grab
Return on Assets (ROA)	5-year average	-44%	-11%
Return on Equity (ROE)	5-year average	-63%	-15%
Gross Profit Margin (GPM)	5-year average	51%	86%
Operating Profit Margin (OPM)	5-year average	-169%	-70%
Net Profit Margin (NPM)	5-year average	-298%	-134%
Current Ratio	5-year average	2,74	4,37
Debt-to-Equity Ratio (DER)	5-year average	36%	47%
Asset Turnover	5-year average	0,23	0,21
Price to Earnings Ratio (PER)	5-year average	*7,92	-12,27

Source: Annual Report of GoTo (FY2021–FY2024), Financial Statements of GoTo (FY2025, & Annual Report of Grab (FY2021–FY2025). Compiled by authors.

While improvements in the financial position of individual companies alone will not resolve the social issues that arise from integration, the path towards profitability further strengthens the rationale behind the merger. In other words, there is a greater need for companies to cut down costs within the competition. However, as shown by the evidence provided, this process will most likely take place at the cost of driver incentives, competitive pricing, and market diversity.

c. Customer Dynamics: Acquisition Cost, Lifetime Value, and Retention

The analysis of Customer Acquisition Cost (CAC), Customer Lifetime Value (CLV), and retention patterns provides valuable insights regarding the effectiveness of strategies adoptedby both parties, as well as changes within the market environment after the merger.

GoTo and Grab both show remarkable trends in their Customer Acquisition Cost (CAC) over the analysis period, though they move in opposite directions. While GoTo experienced a steep fall in its CAC, dropping from USD 55.32 during FY2022 to just USD 7.86 during FY2025, owing to the decision to switch from subsidy-heavy growth model to a growth model more conducive to cost-effecient customer acquisition (it should be noted that the FY2023 figures were not considered because the company experienced a period of reduction in its number of users), Grab saw its CAC rise from USD 20.79 in FY2022 to USD 31.37 in FY2023 before settling down to USD 25.92 in FY2025, partly driven by product-led initiatives such as the GrabUnlimited subscription model. These patterns indicate that, while GoTo has achieved greater CAC efficiency, Grab continues to invest more substantially in attracting new users.

DOI: 10.65246

Table 5. Estimated Customer Acquisition Cost (CAC): GoTo and Grab (FY2022–2025)

Year	GoTo CAC (USD)	Grab CAC (USD)
FY2022	55,32	20,79
FY2023	*N/A	31,37
FY2024	14,06	25,12
FY2025	7,86	25,92

**N/A (Not Applicable): The standard CAC calculation is mathematically invalid for 2023 due to a negative Gross New Users estimate. This reflects GoTo's deliberate strategy to shed unprofitable users by slashing incentives. Consequently, the marketing expenditure during this period was entirely absorbed by retention efforts for core, profitable users rather than new user acquisition.*
Source: Derived from annual reports, financial statements, and earnings presentation via an AI-assisted estimation model (Gemini AI), verified by authors.

Table 6. Estimated Customer Lifetime Value (CLV): GoTo and Grab (FY2022–2025)

Year	GoTo CLV (USD)	Grab CLV (USD)
FY2022	29,55	11,75
FY2023	61,96	121,15
FY2024	49,40	142,15
FY2025	47,80	154,25

Source: Derived from annual reports, financial statements, and earnings presentation via an AI-assisted estimation model (Gemini AI), verified by authors.

On the CLV side, Grab outperformed GoTo significantly throughout this period, with CLV rising from USD 121.15 per customer in FY2023 to USD 154.25 by FY2025. In turn, while being high overall compared to previous years, GoTo's CLV fell from USD 61.96 in FY2023 to USD 47.80 by FY2025, thereby showing some signs of monetisation pressure from its customer base. Thus, the growing CLV difference between the two companies demonstrates the former's superior performance in terms of monetisation, which can presumably be attributed to the financial ecosystem of Grab, featuring GXBank and GXS Bank. However, the improvement in the CLV/CAC ratio, particularly concerning the reduction of the latter in GoTo, is still a good sign regarding the long-term sustainability and health of unit economics in the context of a post-merger consolidation.

Table 7. Promotion Retention & Dependency: GoTo and Grab (FY2022–2025)

Year	GoTo	Grab
FY2022	37,07%	34,35%
FY2023	13,81%	22,97%
FY2024	6,96%	23,86%
FY2025	5,07%	22,48%

Source: Derived from annual reports and financial statements via an AI-assisted estimation model (Gemini AI), verified by authors.

Retention behavior in terms of promotional dependency ratios shows a significant but asymmetric deviation between the two companies. While GoTo was able to reduce its promotional dependency significantly from 37.07 percent of net revenue in FY2022 to 5.07 percent in FY2025, demonstrating its intention of switching to an organic user retention strategy, Grab showed only a minor reduction from 34.35 percent in FY2022 to 22.48 percent in FY2025, showing that Grab still relied heavily on promotion for retaining its customers. The differing paths imply that while GoTo has adopted a more proactive approach in developing customer loyalty through creating value from its ecosystem of products, Grab is still largely dependent on the use of financial rewards to keep its customers. In the post-merger environment, there would be no significant reason for the new company to continue with such expenditure, which would mean reduced rewards to its drivers.

d. Job Creation and Market Expansion Effects

The fast growth of digital platforms in the Southeast Asian region has dramatically transformed the structure of service markets and employment absorption. In Indonesia, the market for ride-hailing was valued at US$3.77 billion in 2025 and is forecasted to grow to US$4.04 billion in 2026 and

DOI: 10.65246

then to US$5.67 billion in 2031, CAGR of 7.05% between 2026 and 2031 (Mordor Intelligence, 2026). This trajectory reflects the regional trend of fast growth of the digital economy fueled by an increase in internet penetration rates, high levels of mobile phone usage, and the widespread use of digital payments (Hoppe et al., 2023). This indicates how scalable the platform business model can be due to its network and algorithmic cooperation, which allows quick scaling in both urban and peri-urban regions.

Looking at the expansion from the perspective of the labor market, the expansion has greatly made it possible for people to generate more employment opportunities owing to its low barriers to entry and flexibility. The digital labor platforms have made it possible for people to engage in income-generating work through a flexible structure that does not require an employment contract. Thus, it can incorporate workers from the informal economy, as well as those suffering from underemployment. This particular aspect is particularly relevant in emerging economies because the online platforms are used by the workers as a means to enter into employment in the absence of many jobs in the formal sector. According to the analysis of the Fairwork framework, the fact that the gig economy is often taken up as supplementary or interim employment by gig workers underscores both the accessibility of this form of employment and its precariousness (Heeks et al., 2021).

However, the possible merger of GoTo and Grab presents a change in the structure that could impact the dynamics observed earlier. A merged entity will be able to dominate the market, accounting for up to 90 percent market share in certain areas (Reuters, 2025). The changed conditions of the market could have an effect on the dynamics caused by competition, since it is competition that drives both market expansion and labor demand. In competitive markets, companies engage in dynamic activities aimed at capturing market share through aggressive labor hiring, incentives, and geographic expansion. This approach has the effect of fast-growing numbers of drivers on the platform. The focus of a consolidated market would lie in efficiency and cost savings rather than growth, thus reducing the necessity for labor expansion and job creation.

This dynamic should also be examined from the perspective of its impact on the supply side of the labor market. With the expansion of markets, more drivers are expected to join, thereby causing fierce competition among drivers. There are studies indicating that an increase in the number of drivers does not match the level of demand, thus causing income dilution and income risk (Fielbaum & Tirachini, 2020). In the case of the existence of a post-merger context where other platforms get less space, such trends may be enhanced, thereby causing a reduction in opportunities for multi-homing for drivers and their decreased bargaining power. On the whole, these results show that there has been considerable improvement through platform development within Indonesia in terms of access to employment and market development. But this depends on whether there is competition in the markets, which fosters growth and employment. Therefore, there is an inherent conflict of interest in the merger between efficiency and inclusiveness.

e. Operational Synergies and Strategic Implications

Beyond the financial and labor market dimensions, a GoTo–Grab merger presents significant operational considerations that would shape both the structure of the combined entity and the broader competitive landscape. The two companies have pursued notably different operational models, which creates both synergy potential and integration risk.

GoTo has opted for an asset-light business model, which uses partnership arrangements for logistics, promotion, and the creation of an ecosystem with the help of GoPay services and other associated solutions. Such an asset-light business model has resulted in significant savings on the part of GoTo, lowering the cost of customer acquisition and improving cash flow management at the same time, although at the expense of control over the delivery process. The strategy adopted by Grab is the opposite of GoTo's asset-light business model, namely a vertical integration strategy, with the company having invested in the establishment of many Jaya Grocer stores in Malaysia, which serve as pickup points for deliveries made by GrabMart and GrabFood services, as well as the GrabMaps map service for drivers. The model allows for better control over the quality of delivery and logistics precision, although it results in higher fixed costs.

DOI: 10.65246

Under the scenario of a merger, there is potential for synergy to be created from the complementary strategies. The efficiencies and scalabilities that would be derived from having a flexible and partnership-oriented company like GoTo are bound to be complemented by a technology-driven firm such as Grab, with its services like GrabMaps, and even financial services through GXBank and GXS Bank, which could enhance the depth of both companies' services. The merged company could further integrate their cloud computing services, rationalize marketing budget, and optimize routing and fulfillment networks across both platforms.

Such synergetic effects, however, depend upon proper technology integration, representing an important execution risk in this case. Differences in cloud-based technologies, driver-facing applications, merchant systems, and incentive schemes would require a careful adjustment to avoid service disruptions. Furthermore, the process rationalization inherent to a major consolidation could result in workforce reductions, reduced driver incentives, and changed scope of services offered in low-margin markets, all of which have important social consequences. While the advantages provided by such a merger for the company cannot be understated, there is a significant number of disadvantages related to such complications and social disruptions as well. The potential dangers that may emerge from any government interference, as well as the protests from the general public, should not be ignored in light of the competitive nature of Indonesia, especially considering the extent to which the market will be concentrated (Lie & Lie, 2026).

f. Stakeholder and Regulatory Implications

This potential merger carries considerable implications for various stakeholders in the industry, such as drivers, consumers, and regulatory authorities overseeing the industry. First, market consolidation implies an escalation of risks in terms of income stability and bargaining power for drivers in ride-hailing services. As platform workers typically operate under conditions of algorithmic management and limited labor protections, the ability of platform workers to reduce risk usually depends on their multi-homing abilities or involvement on different platforms. Lack of competition reduces that flexibility, making them heavily dependent on the one major platform available. In empirical studies about gig work, these imbalances have been shown to be related to poor labor results, characterized by reduced earnings stability and limited worker autonomy (Wood et al., 2019; Heeks et al., 2021).

On the consumer side, there can be some advantages and disadvantages of consolidation. Short-term advantages may include increased efficiency resulting from lower costs and easier integration. However, research in economics has found that a lack of competition will result in higher prices and poor-quality services offered. In markets characterized by two-sided platforms, wherein the company acts as an intermediary for the buyer and the service provider, it is crucial for the market to be competitive so as to ensure pricing discipline as well as encourage service innovation. Empirical evidence from the ride-hailing industry suggests that lower levels of competition, coupled with strong network effects, tend to undermine these dynamics (Fielbaum & Tirachini, 2020).

The implications of consolidation become more significant when assessed alongside Indonesia's existing competition law framework. The body responsible for regulating mergers and competitions is Komisi Pengawas Persaingan Usaha (KPPU), which works according to the principle of substantial lessening of competition (Setiawan & Amelia, 2024). However, the reliance on the post-merger notification system in Indonesia reduces the ability of the state to take any preventive measures (Mustariyakuma, 2022). This implies that the assessment of a merger will only be done after it takes place due to the lack of pre-notification requirements.

With significant network effects and high scalability in the markets, the limitations become even more critical. The potential merger of GoTo and Grab will create a powerful entity with a large share of the ride-hailing market, thus resulting in challenges related to market dominance and efficiency in regulation (Lie & Lie, 2026; Asmah & Gazali, 2026). The difficulties related to dealing with these implications become more significant after the existence of the merged entity, especially in view of the speed at which user bases and data advantages accumulate. These concerns are not merely theoretical. The historical case of the Uber-Grab merger in Southeast Asia demonstrates how

DOI: 10.65246

increased concentration in digital platform markets can reduce competition and strengthen entry barriers (Rahman et al., 2020).

In addition to competition policy concerns, the case highlights the existence of structural problems in labor legislation. Ride-hailing drivers in Indonesia have the status of self-employed or independent contractors; therefore, they are not legally entitled to receive basic protection measures such as a minimum wage or participation in any form of social security system. Such structural problems become even more prominent in a concentrated market setting because workers face limited options and lack bargaining power (Wood et al., 2019). Consequently, the potential merger involves not just the typical antitrust issues but also shows a much larger gap in the institutional capacity of Indonesia in managing platform capitalism and protecting gig economy workers, and preserving competitive digital markets.

4.1.4. Hypothesis Testing Results / Key Findings

This study did not test statistical hypotheses because it used a structured and integrative literature review rather than a quantitative research design. The principal findings are therefore organized around the study's analytical questions.

First, the evidence indicated that estimated driver earnings were below Jakarta's 2025 minimum wage benchmark. Second, GoTo and Grab demonstrated improved financial performance by FY2025, while their estimated customer acquisition costs, customer lifetime values, and promotional dependency ratios followed different trajectories. Third, market expansion has created opportunities for flexible income-generating work, but the potential merger could reduce competition and constrain drivers' ability to work across multiple platforms. Fourth, the companies' different operational models create possible synergies alongside substantial integration risks. Finally, Indonesia's post-merger notification framework and the existing limitations of labor protection raise concerns about the capacity of current safeguards to address the potential social consequences of consolidation.

These findings describe the patterns identified in the available evidence. They do not establish that the proposed merger has caused changes in driver earnings, employment, or market competition, because the merger was assessed as a hypothetical scenario.

4.1.5. Visual Presentation of Results

Tables 1–7 present the principal numerical findings. Table 1 compares estimated driver earnings with Jakarta's 2025 minimum wage benchmarks. Tables 2 and 3 summarize the financial performance of GoTo and Grab during FY2021–FY2025, while Table 4 presents their reported five-year average financial ratios. Tables 5 and 6 show estimated customer acquisition costs and customer lifetime values, respectively, and Table 7 presents promotional retention and dependency ratios.

Together, these tables provide the descriptive basis for examining differences in worker earnings, corporate financial trajectories, and customer-related indicators. The remaining findings concerning employment dynamics, operational synergies, stakeholder interests, and regulatory arrangements are presented through the thematic analysis of the documentary evidence.

4.2. Research Discussion

4.2.1. Interpretation of Key Findings

The findings reveal a potential trade-off between corporate efficiency and the social consequences of market concentration. The proposed GoTo–Grab merger could create operational efficiencies and strengthen the combined company's financial position. However, these potential benefits must be considered alongside the existing earnings gap experienced by drivers, the possibility of reduced employment alternatives, and the limitations of regulatory oversight.

The first key finding concerns driver welfare. Estimated monthly earnings of Rp 2.2 million–Rp 4.0 million were below Jakarta's 2025 minimum wage benchmark of Rp 5.39 million. This difference highlights the importance of considering effective earnings and working hours when assessing the welfare implications of platform-based employment. Drivers' earnings are influenced not only by demand but also by platform-controlled pricing, commission arrangements, and incentives. Consequently, the potential reduction in competition could weaken drivers' bargaining positions and limit their ability to respond to unfavorable platform policies.

The second finding concerns the companies' financial trajectories. GoTo and Grab recorded

DOI: 10.65246

positive net income in FY2025, while their customer acquisition costs, customer lifetime values, and promotional dependency ratios followed different patterns. These developments indicate that the companies were pursuing financial sustainability through different operational and customer-management strategies. Nevertheless, stronger financial performance does not automatically translate into better working conditions. If consolidation increases the incentive to reduce operating costs, drivers could face lower incentives or less favorable contractual arrangements unless adequate safeguards are established.

The third finding concerns employment and market expansion. Digital platforms can broaden access to income-generating activities through flexible working arrangements and relatively low entry barriers. However, market expansion does not necessarily guarantee adequate earnings or stable employment. If a merger reduces competitive pressure, the combined company may have less incentive to expand driver recruitment, maintain generous incentives, or preserve alternative platform options. The potential effects therefore extend beyond employment availability to the quality, stability, and economic value of the work provided.

The fourth finding concerns regulatory effectiveness. Indonesia's post-merger notification system provides a basis for reviewing transactions after completion, but its timing may constrain preventive intervention in a market where network effects and data advantages can accumulate rapidly. The findings therefore indicate the need to evaluate consolidation through a broader framework that considers market structure, worker welfare, consumer outcomes, and regulatory capacity rather than corporate efficiency alone.

4.2.2. Comparison with Previous Studies

The findings concerning driver welfare are consistent with research identifying income instability, limited social protection, and employment insecurity as persistent challenges in the gig economy (Heeks et al., 2021; Wood et al., 2019). The reported gap between estimated driver earnings and Jakarta's minimum wage benchmark illustrates how flexible access to platform work can coexist with economic vulnerability. However, the present study extends this discussion by examining how a potential merger could interact with existing labor-market conditions rather than treating driver welfare as an issue independent of market structure.

The analysis of algorithmic management is also consistent with the argument that platform-controlled systems influence workers' behavior and employment-related decisions. Adekoya et al. (2023) and Lefcoe et al. (2023) provide relevant perspectives on algorithmic control and its implications for workers. In the present study, these concerns are considered alongside the possibility that consolidation could reduce drivers' ability to switch between competing platforms. This integrated perspective suggests that algorithmic control and market concentration may reinforce existing vulnerabilities, although the magnitude of their combined effects cannot be established from the available secondary evidence.

The findings concerning earnings uncertainty and competition are consistent with Fielbaum and Tirachini (2020), whose research highlights the influence of market conditions on ride-hailing drivers' earnings. The present analysis further considers how reduced opportunities for multi-homing could limit drivers' responses to changing platform policies. This is particularly relevant when the potential consolidation of major platforms may change the availability of alternative work opportunities.

The financial findings provide a complementary perspective. GoTo's declining estimated customer acquisition cost and Grab's increasing estimated customer lifetime value indicate differences in their customer-management strategies. These patterns suggest that the two companies may have different sources of operational strength and different opportunities for post-merger integration. Nevertheless, the estimated indicators should be interpreted cautiously because they were derived through an artificial intelligence-assisted estimation model rather than reported as directly comparable audited measures.

Regarding competition regulation, the findings align with the concern that post-merger notification may limit preventive oversight (Mustariyakuma, 2022). The Indonesian regulatory context also raises questions about how conventional competition principles should be applied to digital platforms characterized by network effects and data concentration (Setiawan & Amelia, 2024). The historical Uber–Grab case provides a relevant

DOI: 10.65246

regional example of the potential consequences of consolidation for competition and entry barriers (Rahman et al., 2020). The present study contributes to this discussion by connecting regulatory timing with labor-market implications and the welfare of platform workers.

4.2.3. Theoretical Contributions

This study contributes to the literature by integrating perspectives on platform market power, gig-economy employment, algorithmic management, and competition regulation. These dimensions are frequently discussed separately, but the findings indicate that they should be considered together when evaluating the potential social implications of digital platform consolidation. First, the study extends the analytical discussion of platform market power by emphasizing that the consequences of consolidation may extend beyond prices, efficiency, and consumer choice. In a labor-intensive platform industry, changes in market structure may also affect workers' access to alternative platforms, bargaining power, and ability to respond to changes in remuneration and incentives. Second, the study connects the literature on gig work with the structure of platform competition. Existing concerns about income instability and limited social protection become particularly important when drivers may have fewer alternative sources of platform-based employment. This perspective helps explain why employment flexibility should not be evaluated independently of market concentration and labor protection. Third, the study brings algorithmic management into the analysis of potential merger consequences. Platform algorithms influence the allocation of work, pricing, performance assessment, and incentives. When these mechanisms operate in a more concentrated market, the potential consequences for worker autonomy and bargaining power warrant greater scrutiny. The study does not establish a new causal theory, but it develops an integrated analytical perspective for examining the relationships among these mechanisms.

Finally, the study contributes to the discussion of digital competition regulation by highlighting the importance of considering labor-market and stakeholder implications alongside conventional competition indicators. This integrated perspective provides a conceptual basis for examining whether existing regulatory arrangements adequately address the broader social risks of digital platform consolidation.

4.2.4. Practical and Policy Implications

The findings have implications for competition authorities, labor policymakers, platform operators, and other stakeholders in Indonesia's ride-hailing industry.

Reforming merger control in digital platform markets. The findings support consideration of a pre-merger or hybrid notification regime that enables the KPPU to assess potential competition risks before structural changes become difficult to reverse. Merger assessment should consider not only conventional market shares but also network effects, data concentration, ecosystem dominance, and the potential consequences for workers and consumers. This approach would help align regulatory oversight with the characteristics of digital platform markets.

Strengthening labor protections in the platform economy. Policymakers should consider minimum standards for earnings transparency, commission disclosure, incentive arrangements, dispute resolution, and access to social protection. Mechanisms for collective representation could also help strengthen drivers' bargaining positions while recognizing the flexibility associated with platform-based work. These measures would address vulnerabilities that may become more pronounced if drivers have fewer alternative platforms.

Preserving market contestability and competitive entry. Data portability and interoperability could reduce barriers that prevent drivers and consumers from switching between services. Regulatory measures should also examine contractual arrangements that unnecessarily restrict multi-homing or prevent entry by competing providers. Maintaining contestable markets would help preserve alternatives for drivers and consumers while limiting the potential misuse of market power.

Enhancing platform transparency and regulatory oversight. Platforms should provide clearer information about pricing rules, commissions, incentive structures, and algorithmic decisions affecting drivers. Appropriate disclosure and review mechanisms could reduce information asymmetry and strengthen the ability of workers and regulators to assess platform practices. Greater transparency would be particularly important in a

DOI: 10.65246

concentrated market where competitive pressure may provide fewer constraints on platform decision-making.

Balancing operational efficiency with stakeholder welfare. GoTo and Grab may obtain benefits from integrating technology, logistics, customer-management systems, and marketing activities. However, any efficiency gains should be assessed alongside their potential consequences for driver incentives, employment opportunities, service quality, and consumer prices. Corporate restructuring should therefore be accompanied by appropriate safeguards to prevent efficiency gains from being achieved primarily through the transfer of economic risks to workers.

4.2.5. Integration with the Research Gap

The research gap identified in the literature review concerned the limited integration of platform market power, labor vulnerability, algorithmic management, and regulatory effectiveness. The findings address this gap by examining these dimensions within a single assessment of the potential GoTo–Grab merger.

The driver earnings comparison illustrates the existing economic vulnerability of platform workers. The financial and customer-related indicators show that both companies have made progress toward profitability, although their strategies and performance trajectories differ. The analysis of employment and market expansion indicates that digital platforms can broaden access to work while also creating conditions in which earnings depend on demand, competition, and platform policies. Finally, the regulatory analysis highlights the challenges of preventing anticompetitive outcomes when intervention occurs after a transaction has been completed.

By connecting these findings, the study demonstrates why the social implications of platform consolidation cannot be evaluated solely through corporate financial performance or market share. The consequences also depend on drivers' economic alternatives, the transparency of platform governance, and the capacity of regulators to preserve competition and protect vulnerable stakeholders. This integrated perspective represents the study's principal contribution to the discussion of digital platform governance in Indonesia.

4.2.6. Acknowledgement of Study Limitations

The findings should be interpreted in light of the scope of the evidence and the hypothetical nature of the proposed merger. The study identifies plausible social, economic, and regulatory risks based on available documentary evidence, but it does not establish that these outcomes would necessarily occur following consolidation.

The estimated driver earnings and financial indicators also provide different types of evidence. Driver earnings are presented as estimates from cited sources, whereas the customer acquisition cost and customer lifetime value figures were derived using an artificial intelligence-assisted estimation model. Differences in data definitions and calculation methods may affect comparability. In addition, the financial performance of the companies does not directly demonstrate how any future merger would distribute efficiency gains among shareholders, drivers, and consumers.

Finally, the analysis focuses on Indonesia's ride-hailing industry. The conclusions may not apply equally to other digital sectors or countries with different labor-market conditions and regulatory arrangements. These considerations do not invalidate the identified concerns, but they mean that the results should be interpreted as a policy-oriented assessment of potential outcomes rather than a definitive prediction of post-merger effects.

5. Conclusion

5.1. Summary of Key Findings

This study examined the potential social implications of a proposed GoTo–Grab merger in Indonesia, focusing on driver welfare, employment and market dynamics, corporate financial performance, and regulatory effectiveness. The findings indicate a potential trade-off between the operational efficiencies associated with platform consolidation and the risks that increased market concentration may create for workers, consumers, and competition.

First, estimated monthly driver earnings of Rp 2.2 million–Rp 4.0 million were below Jakarta's 2025 minimum wage benchmark of Rp 5.39 million. This gap highlights concerns about income adequacy and the economic vulnerability of platform workers. Second, GoTo and Grab recorded positive net income in FY2025, while their customer acquisition costs, customer lifetime values, and promotional

DOI: 10.65246

dependency ratios followed different trajectories. These developments suggest that the companies were pursuing financial sustainability through different customer-management and operational strategies. Third, although digital platforms can expand access to flexible employment, consolidation could reduce competitive alternatives, weaken drivers' bargaining power, and limit multi-homing opportunities. Finally, Indonesia's post-merger notification system raises concerns about the capacity of existing competition regulation to prevent potentially harmful changes in market structure.

Overall, the findings indicate that the potential consequences of consolidation extend beyond corporate performance to include the distribution of economic benefits, the quality of employment, and the effectiveness of regulatory safeguards.

5.2. Theoretical Contributions

The study contributes to the literature by integrating platform market power, gig-economy employment, algorithmic management, and competition regulation into a common analytical framework. It demonstrates the importance of examining these dimensions together when assessing the social implications of digital platform consolidation.

The principal contribution is the identification of the potential interaction between increased market concentration, algorithmic labor control, and driver vulnerability. By connecting these dimensions, the study extends the discussion beyond conventional assessments of market share and operational efficiency to consider workers' economic alternatives, bargaining power, and exposure to platform decisions. The study also highlights the importance of incorporating labor-market outcomes into analyses of digital competition policy. Although the findings do not establish causal relationships, the integrated framework provides a basis for further theoretical and empirical investigation of platform governance and the social consequences of consolidation.

5.3. Practical and Policy Implications

The findings support a more proactive and integrated approach to regulating digital platform markets in Indonesia. First, policymakers should consider a pre-merger or hybrid notification system that allows the KPPU to evaluate potential competition risks before a transaction is completed. Such assessments should account for network effects, data concentration, and ecosystem dominance, in addition to conventional market concentration measures. Second, labor protections should be strengthened through greater transparency in earnings, commissions, incentives, and algorithmic management. Improved dispute-resolution mechanisms, access to social protection, and opportunities for collective representation could help address drivers' economic vulnerability. Third, policies supporting data portability, interoperability, and multi-homing could preserve market contestability and reduce barriers to switching between platforms. Finally, regulatory oversight should encourage platform transparency and ensure that operational efficiencies are not achieved at the expense of worker welfare, consumer interests, and fair competition. These measures would help balance the economic opportunities offered by digital platforms with the need for inclusive and sustainable market development.

5.4. Limitations of the Study

This study examined a hypothetical merger scenario using secondary documentary evidence rather than direct observations of post-merger outcomes. Consequently, its findings identify potential risks and policy considerations but cannot establish the actual effects of consolidation on driver earnings, employment, or consumer welfare. The analysis also relied on estimates of driver income and selected customer-related financial indicators, whose definitions and calculation methods may differ across sources. Furthermore, the study focused on Indonesia's ride-hailing industry, limiting the direct generalizability of its conclusions to other sectors and regulatory environments. These limitations should be considered when interpreting the findings and applying the policy recommendations.

5.5. Directions for Future Research

Future research should examine driver welfare longitudinally following major platform consolidations, where such developments occur, to assess changes in earnings, working hours, incentives, employment opportunities, and bargaining power. Comparative studies across Southeast Asian countries could also investigate how

DOI: 10.65246

differences in merger-control systems and labor protections influence the social consequences of platform concentration.

In addition, empirical studies should examine algorithmic pricing, commission transparency, incentive structures, and drivers' ability to work across multiple platforms. Interviews and surveys involving drivers, platform representatives, consumers, and regulatory authorities could provide direct evidence of stakeholder experiences and expectations. Further research should also evaluate the effectiveness of alternative regulatory frameworks for digital mergers and acquisitions, particularly those incorporating labor-market considerations, data portability, interoperability, and algorithmic accountability. Such investigations would help establish a stronger empirical foundation for policies that balance corporate efficiency with worker welfare and competitive market conditions.

6. References

Adekoya, O. D., Mordi, C., Ajonbadi, H. A., & Chen, W. (2025). Implications of algorithmic management on careers and employment relationships in the gig economy—a developing country perspective. *Information Technology & People, 38*(2), 686–713. https://doi.org/10.1108/ITP-01-2023-0064

Asmah, A., & Gazali, I. U. (2026). Market dominance and abuse of dominant position by big tech companies: Challenges in enforcing national competition law: Case study: Grab and Gojek in Indonesia. *Journal of Progressive Law and Legal Studies, 4*(1), 49–60. https://doi.org/10.59653/jplls.v4i01.2218

Chan, N. K. (2022). Algorithmic precarity and metric power: Managing the affective measures and customers in the gig economy. *Big Data & Society, 9*(2), 1–13. https://doi.org/10.1177/20539517221133779

Crémer, J., de Montjoye, Y.-A., & Schweitzer, H. (2019). *Competition policy for the digital era.* European Commission. https://share.google/OGTB8Etw5SJiWH7R5

Dedema, M., & Rosenbaum, H. (2024). Socio-technical issues in the platform-mediated gig economy: A systematic literature review: An Annual Review of Information Science and Technology (ARIST) paper. *Journal of the Association for Information Science and Technology, 75*(3), 344–374. https://doi.org/10.1002/asi.24868

Duggan, J., Carbery, R., McDonnell, A., & Sherman, U. (2023). Algorithmic HRM control in the gig economy: The app-worker perspective. *Human Resource Management, 62*(6), 883–899. https://doi.org/10.1002/hrm.22168

Fielbaum, A., & Tirachini, A. (2021). The sharing economy and the job market: The case of ride-hailing drivers in Chile. *Transportation, 48*, 2235–2261. https://doi.org/10.1007/s11116-020-10127-7

Grab Holdings. (2022). *Form 20-F: 2021 annual report.* https://investors.grab.com/financial-information/quarterly-results/default.aspx

Grab Holdings. (2023). *Form 20-F: 2022 annual report.* https://investors.grab.com/financial-information/quarterly-results/default.aspx

Grab Holdings. (2024). *Form 20-F: 2023 annual report.* https://investors.grab.com/financial-information/quarterly-results/default.aspx

Grab Holdings. (2025). *Form 20-F: 2024 annual report.* https://investors.grab.com/financial-information/quarterly-results/default.aspx

Grab Holdings. (2026). *Form 20-F: 2025 annual report.* https://investors.grab.com/financial-information/sec-filings/default.aspx

Heeks, R., Graham, M., Mungai, P., Van Belle, J. P., & Woodcock, J. (2021). Systematic evaluation of gig work against decent work standards: The development and application of the Fairwork framework. *The Information Society, 37*(5), 267–286. https://doi.org/10.1080/01972243.2021.1942356

Hoppe, F., Chang, W., Baijal, A., Chadha, S., & Hoong, F. W. (2024, November). *e-Conomy SEA 2024: Profits on the rise, harnessing SEA's advantage.* Google, Temasek, & Bain & Company. https://www.bain.com/insights/e-conomy-sea-2024/

Jobstreet. (2025, March 20). *Daftar lengkap UMP 2025 terbaru untuk setiap provinsi di Indonesia.* https://id.jobstreet.com/id/career-advice/article/daftar-lengkap-ump-terbaru-setiap-provinsi-indonesia

Kenney, M., & Zysman, J. (2016). The rise of the platform economy. *Issues in Science and Technology, 32*(3). https://issues.org/the-rise-of-the-platform-economy/

Lefcoe, A. D., Connelly, C. E., & Gellatly, I. R. (2024). Ride-hail drivers, taxi drivers and multiple jobholders: Who takes the most risks and why? *Work, Employment and Society, 38*(5), 1307–1332. https://doi.org/10.1177/09500170231185212

Lie, C., & Lie, G. (2026). Potential monopoly issues

DOI: 10.65246

in the Grab-GoTo merger plan: An analysis under Indonesian competition law. *Jurnal Ilmu Hukum Kyadiren, 7*(2), 1138–1149. https://doi.org/10.46924/jihk.v7i2.378

Mordor Intelligence. (2026, January 14). *Indonesia ride hailing market size & share analysis—Growth trends and forecast (2026–2031).* https://www.mordorintelligence.com/industry-reports/indonesia-ride-hailing-market

Mustariyakuma, M. S. (2022). Tinjauan yuridis notifikasi merger dalam hukum persaingan usaha: Studi kasus PT FKS Multi Agro Tbk. *Dharmasisya, 2*(1), 169–178. https://scholarhub.ui.ac.id/dharmasisya/vol2/iss1/13/

Ng, M., & Ong, C. (2026, January 9). *What a Grab–GoTo merger could mean for Southeast Asia's ecosystem.* Access Partnership. https://accesspartnership.com/opinion/what-a-grab-goto-merger-could-mean-for-southeast-asias-ecosystem/

PT GoTo Gojek Tokopedia Tbk. (2022). *Annual report 2021.* https://share.google/l0Es2AunU1RwriFAV

PT GoTo Gojek Tokopedia Tbk. (2023). *Annual report 2022.* https://www.gotocompany.com/en/investor-relations/announcement

PT GoTo Gojek Tokopedia Tbk. (2024). *Annual report 2023.* https://www.gotocompany.com/en/investor-relations/announcement

PT GoTo Gojek Tokopedia Tbk. (2025). *Annual report 2024.* https://www.gotocompany.com/en/investor-relations/announcement

PT GoTo Gojek Tokopedia Tbk. (2026a). *Consolidated financial statements 31 December 2025.* https://www.gotocompany.com/en/investor-relations/financial-information

PT GoTo Gojek Tokopedia Tbk. (2026b). *GOTO 4Q25 & FY25 earnings presentation.* https://www.gotocompany.com/en/investor-relations/financial-information

Rahman, N. A., Khan, M. A., Azmi, I. M. A. G., & Zakaria, M. R. A. (2020). E-hailing services: Antitrust implications of Uber and Grab's merger in Southeast Asia. *IIUM Law Journal, 28*(S1), 373–394. https://doi.org/10.31436/iiumlj.v28i(s1).590

Reuters. (2025, November 7). *Indonesia discussing plan for merger of Grab and GoTo, official says.* https://www.reuters.com/world/asia-pacific/indonesia-discussing-plan-merger-grab-goto-official-says-2025-11-07/

Setiawan, C., & Amelia, P. (2024). Financial and efficiency performance before and after mergers and acquisitions in the Indonesian infrastructure industry. *Journal of Infrastructure Policy and Management, 7*(1), 43–62. https://doi.org/10.35166/jipm.v7i1.40

Sutiyoso, A. (2025, July 3). *Grab's acquisition of GoTo is a big test for Indonesia's competition regulators.* East Asia Forum. https://eastasiaforum.org/2025/07/03/grabs-acquisition-of-goto-is-a-big-test-for-indonesias-competition-regulators/

Teresia, A., & Asprihanto, H. (2025, May 20). *Ride-hailing drivers in Indonesia hold protests to demand better pay.* Reuters. https://www.reuters.com/business/world-at-work/ride-hailing-drivers-indonesia-hold-protests-demand-better-pay-2025-05-20/

Wood, A. J., Graham, M., Lehdonvirta, V., & Hjorth, I. (2019). Good gig, bad gig: Autonomy and algorithmic control in the global gig economy. *Work, Employment and Society, 33*(1), 56–75. https://doi.org/10.1177/0950017018785616