



India And Gig Economy- A Study On Opportunities And Challenges Faced By Gig Employees

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ABSTRACT

Labor market witnesses a rapid shift over past decades with advancement of traditional labor market to freelance and task based economy. Emergence of digital platform and new technologies contributed to the raise of gig economy and gig workers. It is distinguished by employees who are employed on a flexible, temporary, and contractual basis. Gig work can be defined in a variety of ways, depending on the nature of the work, the work arrangement, and the legal framework. The gig economy is allowing people to earn extra or supplemental income because work is job-specific, employees can work on their own schedules and with multiple contractors which allowing them to control their work hours and pay. This research paper aims to gain insight into the challenges and opportunities face by gig workers and suggests constructive measures for the welfare of these employees. Researcher used a narrative literature review by collecting peer reviewed journals, Government reports, newspaper articles for this study. Outcome of this research paper will be useful for the future researchers, academicians and policy makers by suggesting and exploring measure towards way forward.

KEY WORDS- Gig workers, Gig economy, Contract labor, Digital work place, Literature review.

INTRODUCTION

The traditional labor market has changed over the past ten years as the freelancing and task-based economies have grown. “GIG” was the word coined in 1915 by jazz musicians which means independent music and to define their performance engagement later it was used by non-musicians as well. “GIG” was the name followed by non musicians to mean temporary and in economic perspective the term Gig economy refers to a job at specific period of time that includes freelancers, contract labors, project workers, independent contractors, temporary workers, food delivery, creative job such as acting or writing, substitutional teaching and part time work etc. Mobile phone and internet connection is the main investment in the row of gig economy. employees engaged in gig work are not in need to relay on traditional way of employment, they are their own boss. In this emerging job market primary thing they require is a digital technology and accessibility. As a result of this emergence market, Job and place of work decoupled employees can work anywhere without restricted to a particular geographical area, location are employee centric and employers can use large pool of candidates around the world.

India with its demographic dividend has a half-billion-strong labor force and the world's a young population, rapid urbanization widespread use of smart phones and connected technology - is the new frontier of this revolution. The development of digital platforms, which make it simpler to link employers with job searchers at the lowest possible cost and with the most flexibility. The gig economy has proven to be successful. Its tenacity and potential even in the aftermath by continuing to spread after the Covid-19 pandemic creating millions of jobs while maintaining communities are linked. The gig economy -changing the way we move, work, and live not only affects how we conduct business however, it has an impact on GDP. A direct manifestation of the gig economy's new formation was a fundamental shift in the labour market and employment relations, with the availability of permanent jobs done for one employer giving way to temporary projects from various companies done by one independent employee (Hesmondhalgh & Baker, 2010) Gig workers can be found at all levels of an organization, ranging from low to high skilled workers, part-time to full-time work, and covering the entire pay scale spectrum (Frazer, 2019). A full-time employment has been a tradition for decades; but, with an increasing number of people entering the labor field each year, digital disruption, and the current economic slump, many potential job searchers are unable to acquire permanent positions (Manyika et al., 2016). Gig Economy has gained favor among digital start-ups because it allows businesses to pay cheaper wages to contractual workers while avoiding potential employee lawsuits during economic downturns (Friedman, 2014). The advantage here is that a freelancer is not constrained by the platform's policies and rules, so he or she is more free to conduct business in a specific manner (Schmidt, 2016; Gandini, 2019) Online startups , solo enterprises, small industries even some big corporate are active participants of this platform.

Gig work is linked and associated with the broad economic shifts; it is not a standalone phenomenon. Technology development and globalisation have put pressure on businesses to react quickly to market changes. From this vantage point, the advent of nontraditional gig employment is a fundamental element of the workplace of today (Weil, 2019). The gig economy's quick growth helped employers looking for a competent and cost-effective labor. In order to minimize high administrative and compliance costs, businesses are now looking to engage workers to carry out certain duties. Additionally, the extra labour supply has kept salaries relatively low (Monga, 2020). For some businesses, showing thanks to gig workers is tactical; for others, it is strategic. For instance, few businesses are using independent contractors to get through the current difficulty in the wake of the Covid-19 outbreak. However, some businesses reviewed the present organizational structure from a longer-term viewpoint (Mitra, 2020). In today global labor market gig economy is playing and has scope to play an important role of employment.

In this work researcher studies and evaluates the opportunities and challenges of gig employees by prioritizing the future of job market this study also analysis the major trends and skill needed to be developed in global market. Study has been divided into sections first section talks about the gig economy followed by literature review and methodology on third section gig economy and world nations have been explained fifth section gives over view on gig economy and India sixth section consist of opportunities and challenges then after discussion with suggestive measures this research article concludes with a reviewed insight.

LITERATURE REVIEW

A literature review is an evaluative report of information found in the literature that is relevant to a specific area of study. The primary goal of a literature review is to inform the reader about previous work and knowledge or ideas that have been established on a specific topic of research.

Indian laws on gig economy India's laws governing gig workers According to the 2019 Wage Code, all organised and unorganised sectors, including gig workers, should receive a universal minimum wage and floor wage. Gig workers, on the other hand, are recognised as a new occupational category under the 2020 Social Security Code. However, there are a few issues with the code, as even though gig workers are now eligible for benefits such as maternity benefits, life and disability insurance, old age protection, provident fund, employment injury benefits, and so on. However, eligibility does not guarantee that workers will receive the benefits mentioned. The adoption of the Code on Social Security, 2020 has simplified understanding of the scope and scope of social security laws by consolidating pre-existing laws. The Code also defined terms such as gig workers and platform workers that had not previously been defined. The Code will help to increase employment opportunities by hiring temporary workers and providing them with social security.

NITI AYOOG The Gig Economy is broad and ambiguous and might include a diverse range of people who do not fit the standard definition of a worker. The job of each employee is clearly defined in the platform

economy, which is more explicitly focused on the usage of online platforms. Platform workers and Non-Platform workers are two major categories for them. It also explores the benefits and challenges of Gig and Platform Economy and also indicates international best practices for social security programmes of gig workers. The objective of study to explain the significance, employment generation and suggest measures to uphold employment in the sector.

Mukherjee and Sujatha (2020). The study “Indias booming gig economy” investigated the process of independent workers constructing professional identities over organisational identities in order to understand the impact of learning agility on professional identity while participating in the Gig Economy.

Rukhsar in his work “A study on perespectives of employees towards gig economy” 2019, examined employees' knowledge and perceptions of the Gig system. The authors also examined the problems encountered as well as some potential solutions. They discovered that the Gig system does not limit talent by imposing any restrictions, and that the system also allows for a better network within and outside of the organization. Dokko in 2015 attempted to identifies the opportunities and challenges of non-traditional and contingent employment relationships as the Gig Economy develops in the United States (U.S.).

The study focused on the prevalence of gig work, which is also being implemented in management education with all aspects of organizing, and highlighted three broad areas for future investigation, which are how the gig economy may influence students, faculties, and universities, as well as how the gig economy may influence students, faculties, and universities.

The fourth industrial revolution brings exciting possibilities, new solutions to global challenges, and opportunities for jobs that have yet to be invented. At the same time, it carries the risk of technological unemployment, which puts downward pressure on income security and social agency as society adjusts to the new normal (Martin, 2017). Ekaterina Zhidkova in the book gig economy literature review in critical approach attempted to study the approach, scope and influence of gig economy evaluated the areas such as platform economy, sharing economy gig economy and digital labor were gig economy may influence the near future labor market.

RESEARCH GAP

Following a critical assessment, it is discovered that some study on the issue of Gig Economy has been conducted in the form of research papers, essays, news articles and dissertations. However, a systematic assessment of the developing trend of the umbrella phrase 'Gig or Platform Economy' is required. According to the above evaluations, it has been discovered that in India, a detailed study of the Gig workers, workforce, their opportunities and challenges with suggested outcome has not been given much importance, despite the fact that the notion of Gig economy is a significant component of the economy and its influence on the total GDP of the nation.

OBJECTIVE OF THE STUDY

1. To study the emerging gig economy and gig work force in India.
2. To study the condition of Gig platform workers in World nations.
3. To analyze the opportunities and challenges faced by gig employees
4. To suggest measure for the welfare of gig employees

RESEARCH METHODOLOGY

Researcher used a narrative literature review method and the overall study is based on the secondary source of data from newspaper, government report, grey articles, peer reviewed journals and online journal search engines, researcher used key words such as gig economy, platform economy, gig employment and India, ILO and gig economy etc, in google scholar, Scopus, JSTR, research gate and shodhganga for the research study. 32 research journals 12 newspaper articles and 1 NITI ayog report 2022 were collected from google scholar, JSTR, Research gate and shodh ganga and various websites. After paying attention and reading the content of the journal 17 research journals 10 newspaper articles and 1 NITI ayog report were used for the review of this research paper. All the selected journals were carefully analysed also used in support of the study.

GIG EMPLOYMENT AND WORLD NATIONS

A recent study explored that gig economy is booming across the countries. In the USA, the number of freelancers has increased from 3.7 million in 2014 to 62.2 million in 2019 (Statist, 2020; Pofeldt, 2019) it added over 16% of employees are gig workers driving for performing household tasks like cleaning home or assembling furniture, or running errands like picking up dry cleaning; making deliveries from a restaurant or store for a delivery app; a ride-hailing app; shopping for or delivering groceries or household items; using a personal vehicle to deliver packages to others via a mobile app or website such as Amazon flex; or doing something else along these lines.

An estimated 1.1 million individuals work in the gig economy in the United Kingdom, which is nearly as many as work in the National Health Service (NHS) England. The trend of using online platforms to find small, sometimes on-demand tasks has grown in the last five years and shows no signs of abating.

The freelancing labor in Japan is growing and organizing. Lifetime work has always been the norm in Japan. Between 2015 and 2018, the number of freelancers in Japan increased by 23%, with about 3 million individuals working as freelancers and 7 million people working multiple jobs accounting for 11% of the total. Recently, 17 freelancers from the 15,000 believed to work for Uber Eats in Japan, a subsidiary of the US-based Uber, founded a labor union and began recruiting. In Japan, freelancers are allowed to form labor unions. Ironically, this was incorporated in the Japanese constitution established by Americans after WWII.

In early times gig workers did not gain much importance in china but after covid 19 lockdown imposed and all shops were shutdown except hospitals and gig platform where gig workers worked as a emergency warriors in china they delivered food and medicines to infected people and managed to deliver service to citizens of china after Covid 19 pandemic gig workers gained more important in china government of china also realize the importance of gig economy 2021, an online video went viral on the Chinese internet. In that video, an official from the labor department in Beijing worked as a food delivery worker for one day.¹ Controlled by a relentless platform phone application, the official managed to make 41 Yuan (about 6 US dollars) in his 12 hours' work and lamented it was so hard to make money in this job. The popularity of such a video suggests that such sentiments were relatable to the Chinese public, especially those workers in the gig economy. Digital platforms, such as online order delivery and ride-hailing, are becoming an increasingly prominent aspect of the gig economy. According to the Chinese Ministry of Human Resources and Social Security, the gig economy will employ over 200 million people by 2020. Many of them were linked with a few dominant enterprises. For example, in 2020, Meituan, a large shopping platform, employed 4.7 million delivery employees while registering a total of 10 million delivery workers. ³ DidiChuxing, another prominent hail-ride company, employed around 7.6 million people in the same year, Gig market in china is rapidly. New data on the gig economy revealed Men and landed immigrants make up the majority of delivery and rideshare drivers while women represent most of content creators in Canada. According to Statistics Canada's Labor Force Survey published on January 6, men (73%) and landed immigrants (55%) between the ages of 16 and 69 made up the majority of the food delivery and ridesharing contractors in December. The majority of those who produced paid content on a digital platform or app, such as videos, blogs, or podcasts, were women with 58.4%. World wide gig economy is reaching the greatest milestone and has scope for 21st centuries new labor market.

GIG ECONOMY IN INDIA

The Gig Economy in India refers to the trend of individuals working temporary or flexible jobs, often through online platforms such as Ola, Uber, Swiggy, and Zomato etc., Three million people are employed by India's gig economy (Banik, 2020). Although this percentage may seem low given India's 1.3 billion population, Team Lease Services estimates that the gig economy is responsible for about 56% of all new jobs in India, including both blue-collar and white-collar positions (Pant & Krishna, 2020). According to Ernst & Young, India is home to nearly one in every four gig workers globally (Nanda, 2019). The pandemic has put gig workers on the front lines in the cab and food delivery industries, with no job benefits or financial stability. A few platform firms have taken on the obligation of providing one-time financial support to selected workers. Companies such as the Urban Company, Flipkart, and Uber have declared plans to enhance wages for temporary and part-time workers, while Zomato and Swiggy have revealed plans to raise funds through crowd-funding. However, ground-level accounts from India are inconclusive as to whether the workers received any funds (Atal, 2020).

India is embracing the gig economy as a result of the growing availability of independent contractors and low-cost, unskilled labor. The availability of low-skilled labor enables firms to hire workers as needed and reduce costs. According to the survey conducted by NITHI AYOOG it says 26.6 Lakhs employed in retail trade and sales, 13 % employed in transportation, 6.3 lakhs in finance, 6.2 Lakhs in manufacturing and 1 lakh in education field among them 47% are medium skilled employees, 31 % are low skilled, 22% high skilled employees. The study estimates that in 2020- 21, 77 lakhs (7.7 million) workers were engaged in the gig economy. The gig workforce is expected to expand to 2.35 crore (23.5 million) workers by 2029-30. Trend shows the concentration of workers in medium skills is gradually declining and that of the low skilled and high skilled is increasing. It may be expected that while the domination of medium skills would continue till 2030, gig work with other skills will emerge. India with world largest working force has considered the emerging gig market and policies and frameworks are being built in democratization of gig employment.

OPPORTUNITIES AND CHALLENGES OF GIG EMPLOYEES

India a large English-speaking population and a thriving IT sector have aided in the development of an atmosphere conducive to independent labor, and consequently the Gig economy. However, it comes with both opportunities and challenges.

Opportunities

- The gig economy offers numerous opportunities in the Indian labor market. The gig economy would be able to provide youths with gainful employment
- It can also provide new opportunities for women because women's employment in such jobs has increased due to increased flexibility in terms of work location and hours
- Increased participation of gig workers in corporate functions can assist firms in rationalizing their workforce and lowering their operating costs
- GIG system provides and serves a broad variety of jobs to do rather than the same type of work that they follow every day. Each project will have a variety of elements that will keep people interested in their job
- The gig economy offers a labor supply that may directly link a firm to a freelancer. This eliminates the inconvenience of dealing with a middleman throughout the employment process, making it easier to discover qualified candidates
- The payment mechanism in GIG Economy vary from one firm to the next most businesses charge on an hourly basis. It gives a platform for workers to create an appealing and well-designed profile, making it easier for potential clients to locate and recruit the worker
- As a developing country, India has the issue of ensuring equal access to work opportunities. Because of the flexibility in schedule, the gig economy has increased employment availability and labor force participation

- Unemployment in India can be reduced by this gig economy by providing opportunities to unskilled and semi-skilled employees
- Part time works were encouraged in gig platform so it will act as extra source of income for employees
- Allocate work to the appropriate person: With the introduction of artificial intelligence, robots can now select the appropriate persons for each profile. It can aid in increasing organizational productivity
- A full-time job requires more time and effort, this alternative allows college students to explore and earn the necessary skills and experience before joining the full-time work employment market
- The majority of Gig workers have the option of working from home. This saves a lot of time and money that would otherwise be spent on commuting to work
- While most jobs are provided to young people, the Gig Economy idea also provides work to the elderly and retired. They can stay engaged even after retirement and make money without relying on others
- It is extremely advantageous for small firms who cannot afford to recruit full-time employees. In such a case, they assign assignments to gig workers and pay them for the work they do
- Companies that use the Gig Economy model might save money on office space, training, and other advantages

Challenges of gig employees

- It is self-evident that the personnel are recruited for a limited time or for a specific duty. This signifies that there is little or no opportunity for advancement inside the organization
- This working culture entails employing employees for a limited time, there is no assurance that there will be workplace confidentiality
- No guarantee of social security benefits such as PF, ESI, Pension etc.,
- No guarantee of sustainable work and sustainable salary
- Due to the impact of digitization, there are many more prospective employees than tasks/jobs accessible. And, predictably, the situation will deteriorate more in the future, resulting in decreased pay
- This is a novel notion that is limited to metropolitan regions. Rural regions do not have a connection to electricity or the internet
- Rising stress as a result of the uncertainty linked with the consistency of available work and income
- The contract between the platform owner and the gig worker denies the latter access to key employment entitlements
- In certain circumstances, gig economy firms are not obligated to reimburse personal expenditures like as petrol used when driving for Door Dash
- Employee bargaining power reduced Unless a person is exceptionally competent, his bargaining power will inevitably be restricted when compared to traditional employment

- No regulatory body to control the gig employment and no separate act or law effective for gig employees

SUGGESTIONS

- Youth and workforce need to develop skill to make them employable in new labor market.
- It is essential to establish who the gig worker is, how they differ from unorganized workers and self-employed employees, and then build solutions for each kind of worker independently.
- Making the registration of gig employees so that we can know the number of employees engaged in platform employment it will be helpful in policy making
- Through the Code on Social Security, governments can provide universal coverage of platform employees.
- Paid sick leave, Access to health care, and Insurance for Gig workers
- All delivery and driving partners are covered by occupational disease and work accident insurance to make their working environment safer
- Retirement and pension plans, as well as other contingency benefit.
- Companies should create the environment and HR platforms to involve with the independent workers
- Government can play a significant role in reaping the benefits of Gig economy. It must remove barriers for regulating the market

CONCLUSION

Gig economy is on the rise in the new era of the fourth industrial revolution, and it has the potential to deliver enormous benefits to developing nations like India. With the collaboration of the government, employees, and educational institutions, challenges may be transformed into opportunities. Government policy and labor laws will play a significant role in determining the breadth of the Gig economy in India. Individuals must also be prepared for lifelong learning since they will need to upskill or reskill in a changing environment. In this 21st century Gig economy and its employees has become new normal, many Industries are shifting from regular to freelance employment. Human resource Policies are being changed in concern with the Artificial Intelligence and freelance market. Industries and policy makers need to have the responsibility to regulate workers friendly policy and regulations. Gig economy has both the challenges and the opportunities, opportunities should prevail over the challenges for the development and the welfare of the nation.

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