



## Gig economy

### Description

#### What is Gig economy:

- Gig workers take short-term contracts and will be paid for that. Examples of gig work are food delivery boys, uber/ola cab drivers, musicians, photographers, construction workers, on-demand workers etc. Gig work does include high-skilled, medium-skilled and low-skilled work. There are many apps and websites (Ex-Fiverr, Upwork) for the high-skilled workforce, such as software developers, doctors etc to take gigs. This kind of freelance work market is called a gig economy.
- The gig economy is expanding at a rapid rate, especially after the pandemic.
- Many countries are working on bringing policies to prevent the exploitation of gig workers and to make their working conditions more humane.

#### Reasons for the rise of the gig economy:

- In traditional employment opportunities, employees have to work for a fixed number of hours. At present, there is a shift in attitudes toward work, with many individuals seeking a better work-life balance and more control over their careers. This is contributing to the rise of the gig economy.
- Increasing unemployment rates are also forcing people to work in the gig economy.
- Economic instability and job insecurities in traditional employment have led individuals to seek alternative sources of income and employment stability, contributing to the rise of gig work.
- Many times, the gig economy is a win-win for both the company and the worker. Companies do not have to hire a full-time employee and thereby can save costs. Workers on the other hand will not be tied down by any company. After finishing the gig, they can work with other people of their choice.
- Certain industries, such as technology, creative services, and consulting, have experienced a shift toward freelance-friendly models, further promoting the growth of gig work in these sectors.



### Benefits of the gig economy:

- Gig work provides autonomy for workers. The gig economy allows individuals to integrate work into their lives more seamlessly, enabling them to balance work commitments with personal responsibilities and activities.
- Gig workers have the flexibility to choose when and where they work. Flexible work hours are one of the main advantages of the gig economy.
- Gig workers can diversify their sources of income by engaging in multiple gigs or platforms simultaneously, reducing reliance on a single employer and potentially increasing overall earnings.
- The gig economy provides individuals with the opportunity to be their own bosses, offering services or skills as independent contractors and pursuing entrepreneurial ventures without the constraints of traditional employment.
- Digital platforms enable gig workers to connect with clients and opportunities globally, expanding their reach beyond local markets and potentially accessing a broader range of projects and clients.
- Gig workers can choose from a wide range of gigs, providing variety and allowing them to explore different industries and roles, contributing to personal and professional growth.
- The gig economy can provide accessible income opportunities for individuals who may face barriers to traditional employment, such as those with disabilities or individuals seeking supplemental income.
- Gig work often incurs lower costs for companies compared to traditional employment, as it allows them to engage specialized talent on a project-by-project basis without the overhead expenses associated with full-time employees, such as benefits, office space, and ongoing salary commitments.

### Challenges of the gig economy:

- There is no job security for gig workers. They often face unpredictable income and job insecurity as they lack the traditional benefits and stability associated with full-time employment.
- Gig workers do not receive benefits such as retirement benefits, health insurance, accident insurance etc. like full-time employees.
- Many gig workers are receiving pay less than the guaranteed minimum wage, which is unethical.
- There is no guarantee of payment in some cases. Companies may delay or stop payments. There will always be this insecurity and it also causes stress.
- Gig workers may miss out on opportunities for skill development and career advancement that are commonly provided by employers in traditional work settings.
- Gig workers often work independently and remotely, leading to feelings of isolation.
- Some gig workers overwork to earn decent money. Several gig workers complain of burnout. The exploitation of gig workers is one of the biggest challenges of the gig economy.
- Some companies are encouraging people to work in the gig economy in their spare time. This can lead to a lack of time for personal life, which affects relationships and mental health.
- Gig workers cannot usually collectively bargain for better wages, working conditions, and benefits, as they often operate as individual contractors rather than as part of a larger



workforce.

- The rise of the gig economy is a threat to some full-time employment opportunities. Some companies are replacing full-time employees with gig workers.

### Way Forward:

- In September 2020, the government of India brought a new labour code – “The Code on Social Security 2020”, which extended social security to the unorganised sector workers including gig workers. The Code enables the central and state governments to frame suitable social security schemes for gig workers and platform workers on matters relating to life and disability cover, accident insurance, health and maternity benefits, old age protection, etc.
- Gig workers can register themselves on the e-shram portal, a national database for the unorganised workforce. E-shram cards will be used for delivery of social security benefits as implemented by Central & State Ministries, such as accident insurance, pension etc.
- Rajasthan government is giving identity cards to gig workers and is also establishing a fund for them. Karnataka government announced 4 lakh rupees worth of accident insurance for gig workers. Other states too should implement schemes to improve the situation of gig workers.
- As per the statistics released by NITI Aayog, at present, 80 lakh people are doing gig work in India. It is expected that the number will reach 2.35 crores by the year 2030.
- Providing free training and upskilling courses can ensure that gig workers stay employed.
- There is a need to bring policies to protect gig workers from exploitation. Moreover, awareness programs should be conducted to help gig workers know about the relevant schemes and social security benefits.

### Conclusion:

The gig economy will continue to rise at a rapid rate in the coming days for good. It can compensate for the high unemployment rates in India. It’s a good thing that gig workers are officially recognised and brought under the ambit of social security schemes. Working on the challenges of the gig economy to improve the working conditions is the need of the hour.

*Photo by [Norma Mortenson](#)*

### Your Turn!

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### References:

- “samajika badratha leni shramjeevulu” article by Chinnarao Chitikela in Eenaadu newspaper.

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