



The rise of the Gig economy

Description

Theme:

- 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 government will bring social security schemes to provide retirement benefits, health insurance and other benefits to unorganised sector workers.

What is Gig economy:

- Gig workers take short-term contracts and will be paid for that. Examples – Food delivery boys, uber/ola cab drivers, musicians, photographers, construction workers, on-demand workers etc. There are many apps and websites (Ex-Fiverr, Upwork) for the 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 in the pandemic time.
- 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. But some people like a flexible work schedule, which is contributing to the rise of the gig economy.
- Increasing unemployment rates is also forcing people to work in the gig economy.
- 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.



Benefits of the gig economy:

- Autonomy for workers.
- Flexible work hours.
- Rewards for hard work.
- Fewer costs for companies.

Challenges of the gig economy:

- Gig workers do not receive benefits such as retirement benefits, health insurance etc. like full-time employees.
- Many gig workers are receiving pay lesser than the minimum wage guaranteed, which is unethical.
- There is no guarantee in some cases. Companies may delay or stop payments. There will always be this insecurity and it also causes stress.
- Some gig workers overwork in order 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.
- 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.

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 the 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 [Christina Morillo](#) from [Pexels](#)

Your Turn...

What's your take on Gig economy? Express your opinion through the comment section. And subscribe to our blog to read answers to the trending GD topics.

Copyright @ Group Discussion Ideas.