



Gig Workers: The Invisible Workforce

For Prelims: [Gig and platform economy](#), [World Economic Forum](#), [e-Shram Portal](#).

For Mains: Role of Gig Economy in India's Economic Growth, Key Issues Associated with the Gig Economy in India.

[Source: TH](#)

Why in News?

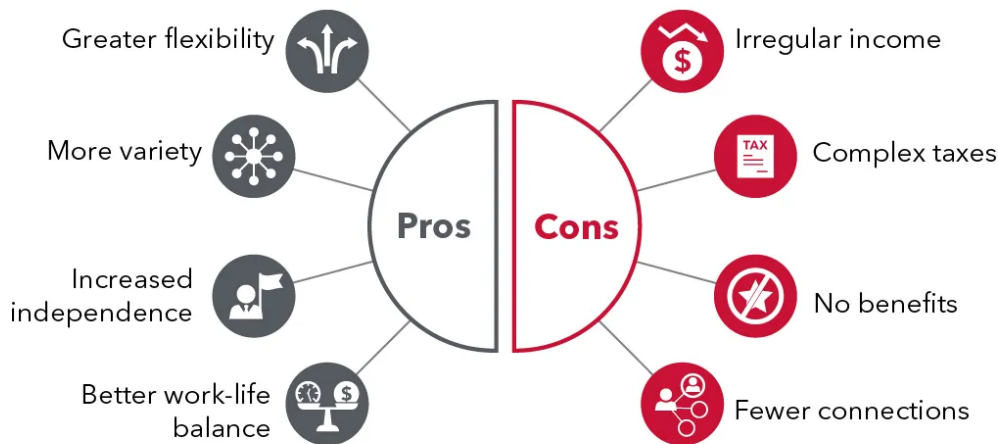
India's [gig and platform economy](#) is rapidly expanding, projected to grow from 1 crore workers in 2024-25 to 2.35 crore by 2029-30. While it offers flexibility and new opportunities, gig workers perform a **significant amount of invisible labor**, yet face low wages, job insecurity, and pressures from algorithm-driven management.

What is the Gig Economy?

- **About:** The gig economy, as defined by the [World Economic Forum \(WEF\)](#), involves the **exchange of labour for money** between individuals or companies via **digital platforms that actively connect providers with customers on a short-term and payment-by-task basis**.
 - According to the [Code on Social Security, 2020](#), a gig worker is “a person who performs work or participates in a work arrangement and earns from such activities outside the traditional employer-employee relationship.”
- **Types of Gig Workers:**
 - **Platform-Based Workers:** Work via digital apps or online platforms. Food delivery (Zomato, Swiggy), ridesharing (Ola, Uber), e-commerce delivery (Amazon, Dunzo).
 - **Non-Platform Workers:** Casual or self-employed workers in traditional sectors, part- or full-time. Examples include part-time tutors, freelance designers, self-employed domestic helpers, casual construction labor.
- **Advantages of the Gig Economy:**
 - **For Workers:** Flexible hours, multiple income streams, opportunity to work independently, skill development.
 - **For Consumers:** Faster services, convenience, competitive pricing, wider choices.
 - **For Businesses/Platforms:** Access to scalable workforce, lower overhead costs, ability to meet fluctuating demand efficiently.

GIG ECONOMY PROS AND CONS

Workers in a gig economy can enjoy a number of advantages, but there also are potential disadvantages. The pros and cons include:



What are the Growth Drivers of the Gig Economy?

- **Expanding Digital Access:** Under [Digital India](#), internet connections in India rose from 25.15 crore in 2014 to 96.96 crore in 2024, with 85.5% of households owning a smartphone. This surge in digital access has fueled the growth of the gig economy by connecting workers and employers.
- **E-Commerce and Startup Boom:** The rise of online businesses and startups creates demand for gig workers in logistics, delivery, marketing, and content creation.
- **Urban Demand for Convenience:** Consumers increasingly expect fast services, fueling opportunities in food delivery, ridesharing, and customer support.
- **Availability of Low-Cost Labor:** Rising [unemployment](#) and a surplus of semi-skilled workers drive many to accept gig work as a source of income.
- **Changing Work Preferences:** Younger generations value flexibility, remote work, and project-based engagements, making gig roles more appealing.

What are the Challenges Facing the Gig Economy?

- **Low Wages and Income Instability:** Gig workers face low, unpredictable pay, earning per task rather than a fixed salary, often working long hours, and face pressure to meet targets that blur the line between "flexible" and full-time employment.
- **Limited Legal and Social Protections:** Minimal legal support and inadequate recognition in labour laws leave gig workers vulnerable.
 - The Code on Social Security, 2020 acknowledges gig workers but fails to provide full labor rights, such as minimum wage guarantees and regulated working hours.
 - Vulnerabilities are heightened during crises like heatwaves, illness, or accidents, with no formal safety net.
 - Gig workers are treated as "independent contractors," not employees, leaving them without regulated hours, paid leave, despite often working full-time.
- **Algorithmic Control and Surveillance:** Digital platforms track workers' location, monitor performance, and sometimes even require scanning of every product used during service.

- Algorithms assign **rigid schedules, penalise cancellations or delays, and can block worker accounts** without human oversight. This creates constant pressure, forcing workers to comply or risk losing income.
- **Lack of Social Security and Benefits:** Gig workers are generally excluded from benefits such as **health insurance, accident cover, maternity benefits**, provident fund, and pensions.
 - Vulnerabilities are heightened during crises like heatwaves, illness, or accidents, with no formal safety net.
- **Gender-Specific Vulnerabilities:** Women, especially in roles like cleaning or beauty services, face harassment from customers and domestic violence at home.
 - Entering private homes for work increases exposure to unsafe conditions. Platforms' rating and penalty systems often leave women vulnerable, with little legal recourse.
- **Physical Strain:** Gig work has no fixed hours; "flexibility" often means being on-call round-the-clock, leading to long hours, strict deadlines, and constant target pressure, causing physical and mental strain.

How Is India Addressing the Challenges of the Gig Economy?

- **Code on Social Security, 2020:** It legally defines gig and platform workers and provides them with social security benefits. The Code also has a provision to constitute a **National Social Security Board to look after the welfare of gig and platform workers**.
 - The **RAISE Framework** by **NITI Aayog** ensures gig and platform workers' social security by focusing on **Recognise** work diversity, **Augment** financing, **Incorporate** platform and worker interests, **Support** awareness, and **Ensure** benefit access.
- **e-Shram Portal: Launched in 2021, It builds a national database of unorganised and gig workers, providing them a Universal Account Number (UAN) and access to government welfare schemes. The portal aims to formalise the workforce and improve access to social security.**
 - **As of August 2025, more than 3.37 lakh platform and gig workers have registered on [e-Shram Portal](#).**
- **State-Level Measures:** Rajasthan's Platform-Based Gig Workers Act (2023) requires employers to deposit a welfare cess.
 - Karnataka proposed a Gig Workers' Welfare Board (2024), and Telangana has drafted a bill for registration, social security, and welfare of gig workers.

What Measures can Strengthen India's Gig Economy?

- **Comprehensive Legal Framework:** Clearly define rights and responsibilities of gig workers. Include minimum wages, regulated working hours, protection against unfair termination, and provisions for collective bargaining.
- **Women-Centric Measures:** Ensure women can avail maternity benefits under **Code on Social Security, 2020**. Promote remote, and project-based roles to accommodate caregiving and household responsibilities.
 - Introduce panic buttons on apps, background verification of clients and delivery points, and dedicated helplines for women gig workers.
- **Ensuring Algorithmic Fairness and Transparency:** Regulate platform algorithms that determine task allocation, ratings, and penalties to prevent arbitrary income loss.
 - Mandate grievance redressal, human oversight, and appeal mechanisms for workers affected by automated decisions.
- **Promoting Digital Literacy and Empowerment:** Expand digital access in rural and semi-urban areas to enable participation in the gig economy.
 - **Educate workers about rights, social security schemes, and safe platform practices to reduce dependence on opaque corporate policies.**
- **Incentivizing Platform Compliance:** Link incentives like tax breaks, subsidies, or preferential government contracts to adherence to welfare laws and fair payment practices.
 - Encourage platforms to voluntarily comply and promote a sustainable gig ecosystem.
- **Formalization via e-Shram Portal:** Expand e-Shram portal integration to provide gig workers with digital identities and access to welfare schemes, employment insurance, and health coverage.

- **Track gig workers formally to ensure inclusion in social security programs.**

Conclusion

India's gig and platform economy is rapidly reshaping the labour market with initiatives like the Code on Social Security (2020) and the e-Shram portal. **Sustained support and effective policies are crucial** to ensure gig workers can work with dignity, security, and fair opportunity.

Drishti Mains Question:

Q. Discuss the growth of India's gig and platform economy and its implications for workers, consumers, and businesses.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q. With reference to casual workers employed in India, consider the following statements: (2021)

1. All casual workers are entitled for Employees Provident Fund coverage.
2. All casual workers are entitled for regular working hours and overtime payment.
3. The government can by a notification specify that an establishment or industry shall pay wages only through its bank account.

Which of the above statements are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: B

Mains

Q. Examine the role of 'Gig Economy' in the process of empowerment of women in India. (2021)