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A Study on the Opportunities and Challenges of GIG Economy from the Perception of Platform Workers with Reference to Chennai City



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ABSTRACT

The emerging Digital transformation has been the 'New normal' in India after COVID-19. The modern era of digitalization in all sectors has encouraged the growth of business in online platforms. This has also paved way for a vibrant Gig economy and has created enormous opportunities for the Gig and platform workers. There has been a high demand and supply of GIG workers across the country post - pandemic. They meet the demands of various commercial activity across all economic sectors. The digital platforms have provided opportunities such as employment facilities with decent income, independent and flexible work time. The paper aims to understand the socio - economic conditions of platform workers and also focus on the areas that lay as a challenge confronted by the platform workers. They do not fit under the employer-employee category because the digital business platforms recruit them as independent contractors and freelancers. This causes huge risk for the platform workers as they lack job security, income consistency, social security, and institutional credit facilities. The study also aims to bridge the gap between opportunities and challenges in gig economy in India. The methodology adopted in the study is based on Random sampling of about 60 platform workers of different job natures which will identify and analyse the opportunities and challenges. The study uses IBM SPSS statistical data editor - version 1.0.0-51 program for Hypothesis testing using one way ANOVA. The study concludes by providing suggestions for the welfare of these platform workers and also gives policy recommendations to the Government.

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1.0 INTRODUCTION

The outbreak of COVID-19 had a profound effect on Indian labour market, notably in the employment status and work patterns of the people. The issue of cut-down wages and work lay-offs had affected people's life to a large extent. Meanwhile, the pandemic has also accelerated the progress of digitalization in the country to meet the demands of its people. The prolonged lockdown has also made workers adopt to the working from home module which is now the "new normal" in the post-pandemic era. All the economic and social activities have been digitalized and has been ease with the widespread use of smart phones and associated technology. Now this has forged the growth of online business and related digital platforms. This online space has also created new job opportunities in the platform economy and a shift of work nature/ work patterns among gig-platform workers.

The emergence of these online platforms has created and restructured more work opportunities for the Gig and platform workers post-pandemic. Flexible work hours, decent pay and easy recruitment process is a good job offer for the gig-platform workers. The workforce of the gig and platform economy was 7.7 million in 2021 and it may rise up to 23.5 million by 2030, according to a recent NITI Aayog study titled "India's Booming Gig and Platform Economy" published in June 2022. Construction, Manufacturing, Retail, Transportation and Logistics have been highlighted as India's five industry sectors having the biggest potential to create gig jobs in the future. Together, these industries are anticipated to absorb and restructure more than 70 million potential gig jobs in the future. Large portions of workforce are demanded in the Retail trade and sales sector as well as in the Transportation sector. The Taskmo Gig Index 2022, a tool for assessing the supply and demand for workers on this platform, has uncovered some intriguing data, including the fact that 48 percent of platform employees are between the ages of 19 and 25.

1.1 Need and Scope of the Study

Despite the enormous demand, multiple job opportunities, fair pay, and flexible work schedules in the gig economy, these platform employees must definitely cope with many risks and challenges. The uncertainty of the job and lack of scope for career development for the workers is a serious issue to focus. Social security benefits and skill development training for the platform workers should also be concentrated by the policy makers. Identifying possible solutions and suggesting suitable measures for these obstacles will ensure a promising workforce through online platforms in the future. It also provides a foot-pace for new start-ups, growth of entrepreneurship and development of the gig-platform workforce in the future.

1.2 Objectives

1. To study the socio- economic condition of the Online Platform workers.
2. To analyse the challenges faced by the online platform workers.
3. To suggest measures to overcome challenges and facilitate their career development.

2.0 METHODOLOGY

The primary data was gathered using a questionnaire method and random sampling (both online and manual).

The Secondary data was collected from research journals, magazines, news articles, past research and web reports.

The primary data was collected and analysed with one way ANOVA test using IBM SPSS statistical data editor - version 1.0.0-51 program.

2.1 Hypothesis

- **H₀** - There is no significant group mean difference between job security and worker preference to continue the job.
- **H₁** - There is significant group mean difference between job security and worker preference to continue the job.

2.2 Limitations

- The study only includes 60 participants as a sample size.
- Finding the online platform workers of different job nature was a constraint.
- The respondents were hesitant of answering the questions due to continuous work.

3.0 REVIEW OF RELATED LITERATURE

Lane (2020) has analysed that the emergence of online business platforms that facilitate the emergence of gig work and all other work that is frequently on demand labour, is made possible by the evolving use of digital technologies and online software applications for business models, among many other factors. Low entry barriers and flexibility benefit workers in platform marketplaces, which can help underrepresented groups integrate into the labour market. However, the working conditions in platform labour have piqued the interest of policymakers, who are particularly interested in ways to provide job and income safety, access to social rights, skill and career development, and collective bargaining rights. The platform work policy issue identifies creative policy approaches to raise the standard of these employments and make them more advantageous for workers.

Rani and Dhir (2020) has stated in the study that platform business models emerged as the Internet has grown in last two decades and are regarded as the miscellaneous market because they promote communication among service renders, customers and labour. The study concentrates on the effects of the pandemic on online business platforms, that have grown in popularity over the last ten years. Freelance work in the online web technologies and location-based portals include examples like transportation system and service delivery portals. As platform economy workforce were classified as "emergency responders," the COVID-19 pandemic highlighted some of the risks they already faced. This note looks at their situation during the epidemic.

Parwez (2022) has analysed in the study that the average values of the food industry as illustrations and the COVID-19 pandemic as a background to showcase the insecurity of careers in the digital economy. Platform workers, a brand-new working space for youth workers in India, emerged as a result of internet access and smartphones. Food industries, on the other hand, relates to these workforce as "delivery partners," altering the employer-employee dynamical as well as allowing businesses to increase profits. This has done result in exploitation and deplorable working conditions for those who transport food. Additionally, low pay (and benefits), a lack of welfare programmes, and discriminatory policies affect platform workers. The pandemic has demonstrated that the idea of liberty and flexibility at work is reserved for the elite due to loss of livelihood and revenue.

3.1 Briefing of the Study

A gig worker is an individual who engages in income-earning activities outside of a regular employer-employee relationship, as well as in the unorganised sector. Platform workers are those gig workers who connect with customers via websites or applications such as Swiggy, Zomato, Ola, Uber, Urban Company and many more.

The word “online platform” has been used to indicate the wide Internet-based services, which include e commerce websites, browsers, social networks, outlets for quality content, mobile apps, telecommunication services, payment processors, and services that are part of the gig economy. “An online platform is a digital service that facilitates interactions between two or more distinct but interdependent sets of users (whether firms or individuals) who interact through the service via the Internet.”

3.2 The Opportunities of the Booming GIG / Platform Economy

- *Wide range of job opportunities:* The expanding digital labour platforms and the increasing demand for gig-platform workers in India has also been evolved. The job description includes service providers including taxi drivers, delivery drivers, and electricians, plumbers, carpenters, and beauticians in addition to low- and medium-skilled workers like these. The demand for high-skilled gig workers, such as independent consultants, administrative assistants, graphic designers, tutors, content writers, engineers, etc., is met by a variety of tasks that offer a wide range of high skills for the independent workers.
- *Segmentation of gig workers based on the skills and job nature:* Currently, medium-skilled jobs employ up to 47 percent of contract workers, high-skilled jobs employ up to 22 percent, and low-skilled employment employs roughly 31 percent. By 2021, the gig economy can provide nearly 24 million skilful and quasi jobs, including nearly 3 million positions in service delivery and nearly 8.5 million responsibilities that meet household demand.
- *Active and immediate source of income:* These digital platforms play a major role in providing immediate income to the workers. It fulfills the utmost financial needs of middle and lower income groups and helps them manage their family needs. It has also helped Women Gig workers gain a source of income to support the family. During lockdown and in the post pandemic scenario large number of students were engage as part- time workers through these digital platforms which help them fulfill their utmost needs.
- *Flexible working hours and easy recruitment:* This creates a free and independent work scenario as the workers become the boss of their job. They can take orders in their own convenient time. The easy recruitment procedure to join as a partner with these digital platforms has made it easy for people with less digital knowledge irrespective of age and their skill to adapt digitalization. The students are provided with a job opportunity as part- time workers. Moreover even employed people engage in the digital platforms through apps as a part - time workers for additional source of income.

3.3 The Challenges of the GIG/ Platform Economy

- *Lack of job security:* These independent contractors/ workers do not come under the traditional employer- employee culture which has created a huge uncertainty of Job. Consequently, these workers do not benefit from labour rights relating to pay, working conditions and collective bargaining rights.

- *Lack of social security benefits:* These digital labour platforms falls under the un-organised sector as the Governance of these platforms are unilateral and privatized. The Code of Social Security, 2020 aims on extending social security benefits like EPF, ESI etc to all workers irrespective of belonging to the organised or unorganized sector. For full fulfillment of full use of social security schemes including gig and platform workers, the state and central governments might apply the five-pronged RISE strategy when formulating regulations and rules under the CoSS 2020. "Recognise the varied nature of platform work to design equitable schemes. Allow augmentation of social security through innovative financing mechanisms. Incorporate, while designing schemes, the specific interests of platforms, factoring the impact on job creation, platform businesses and workers. Support workers to subscribe to government schemes and welfare programmes through widespread awareness campaigns. Ensure benefits are readily accessible to workers."
- *Issues pertaining to the contractual arrangement between employees and clients or customers:* There is lack of dignity and respect for these platform workers especially among the medium and low skilled such as delivery partners, drivers, home service etc. This directly or indirectly affects in fake complains, lack of rating and harassment for women workers too. In addition there are occupational hazards for the workers especially drivers and delivery partners both physically and mentally.
- *Issues relating to the workers and the organisation/ digital platform:* The lack of facilities to complain against clients during harassment, cancellation of orders from the customers. Also in the long run the flexible work time turns in to long working hours to reach target and earn incentives. This affects their work - life balance and causes stress. The issues regarding the payment of initial amounts to register or payment of penalties for the withdrawal of partnership and cancel of orders from the worker side is causing more work stress.
- *No skill development training and no progress at work scenario:* The digital platforms lack the facility of skill enhancement training for the workers. This is due to the reason that large portion of works does not need high skills. In addition there is no facility for them to reach higher levels of employment.

4.0 DATA ANALYSIS AND INTERPRETATION

The data is obtained through distributing the questionnaires to 60 respondents. With the help of the IBM SPSS version 1.0.0-51 application, the data acquired are analysed. The interpretation of data is carried out on the basis of both the results of the questionnaire and the discussion made with the focused group of platform workers.

Table 1 – Socio-economic Variables Relating to Demography and Work

S.No	Variables	Particulars	No. of Respondents	Percentage
1.	Age	20 and below	19	32
		21 - 40	32	53
		Above 40	09	15
		Total	60	100
2.	Gender	Female	08	13
		Male	52	87
		Total	60	100

3.	Educational Qualification	+2 and below	15	25
		Pursuing graduation	17	28
		Graduation and above	28	47
		Total	60	100
4.	Type of employment	Part time	16	27
		Full time	44	73
		Total	60	100
5.	Period of time Engaged in online platforms.	Below 6 months	12	20
		6 months - 1 year	18	30
		More than 1 year	15	25
		More than 2 years	15	25
		Total	60	100
6.	Working hours (per day)	5 - 10 hours	21	35
		10 - 15 hours	29	48
		More than 15 hours	10	17
		Total	60	100
7.	Monthly salary	Below ₹10000	16	27
		₹10000 - ₹20000	19	31
		₹ 20000 - ₹30000	16	27
		Above ₹30000	09	15
		Total	60	100

Source: Primary data

The Table 1 explains the socio-economic variables relating to the demography and work of the platform workers. The majority of the responses are in the age range of 21 to 40. Males make up 87 percent of the respondents. Graduate-level education or higher is held by 47 percent of the respondents. Majority of the respondents belong to the full - time employment engaging in the online platform works. Majority of the respondents have a are engaged in the online platforms are 6 months to 1 year. Of the participants, 48 percent engaged in 10 to 15 hours each day of work. Using the internet platform, 31 percent of the respondents on average make between ₹10,000 and ₹20,000 each month.

Table 2 – List of Online Platform in which the Partners Work

S.No	Particulars	No. of Respondents	Percentage
1	Swiggy	22	37
2	Zomato	7	11
3	Rapido	4	7
4	Uber	8	14
5	Ola	7	11

6	Dunzo	6	10
7	Urban Company	5	8
8	Zepto	1	2
Total		60	100

Source: Primary data

The Table 2 exhibit the list of online platform applications and the number of respondents engaged as workers in it. 37 percent of respondents work for Swiggy, 14 percent for Uber, 11 percent for both Zomato & Ola, 10 percent with Dunzo, 8 percent for Urban Company, 7 percent in Rapido, and 2 percent for Zepto.

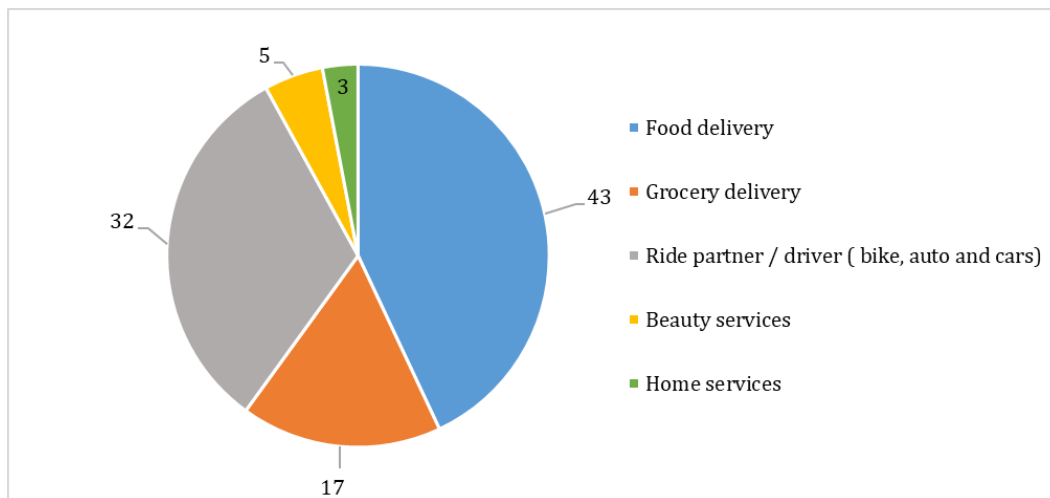


Figure 1 - Nature of Work

The Figure 1 explains about the different nature of work that the respondents in the online platforms. 43 percent of the respondents are in the food delivery partners, 32 percent of the respondents are drivers/ ride partners, 17 percent of the respondents are grocery delivery partners, 5 percent of the respondents provide beauty services and 3 percent of the respondents provide home services.

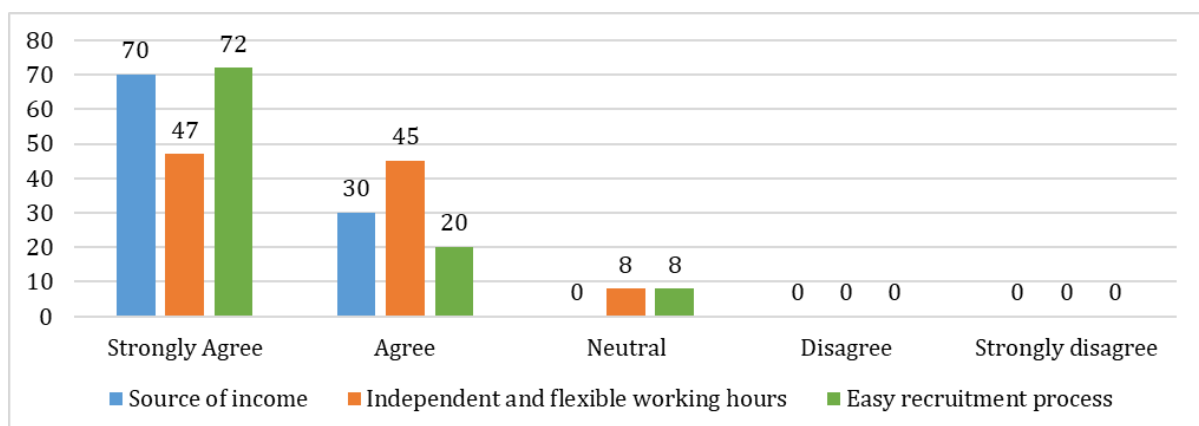


Figure 2 - Major Opportunities for Platform Workers

The Figure 2 exhibits the various opportunities such as source of income, independent and flexible working hours, easy recruitment. 70 percent strongly agree that the online platform jobs

provide a source of income. About 47 percent strongly agree that the job facilitates independent work nature and flexible working hours. About 72 percent strongly agree that its easy recruitment process for the joining the platform work.

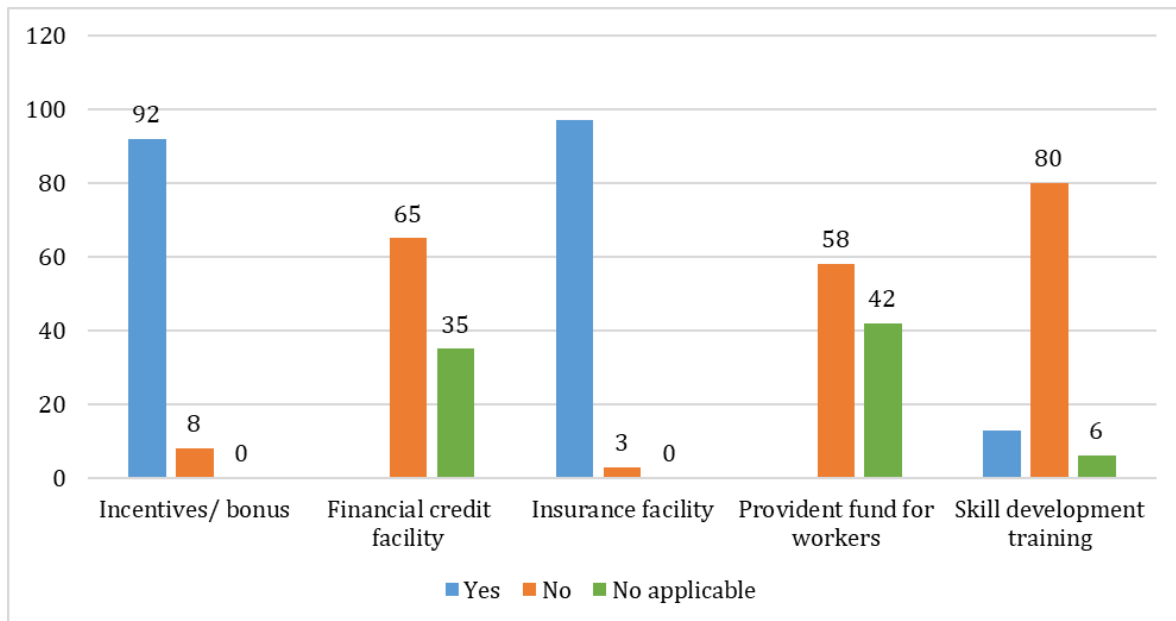


Figure 3 – Basic Facilities Provided for the Workers

The Figure 3 shows the basic social security to be provided to the workers. 92 percent of respondents state that there is a facility to receive incentives. 65 percent of the respondents state that there is No financial credit facility provided at work. 97 percent of the respondents have stated there is Insurance facility at work. 58percent of the respondents stated that there is no provident fund for workers in the digital labour platform. 80 percent of the respondents say that there is no facility/ training provided for the skill development.

4.1 Hypothesis Testing

4.1.1 One-Way ANOVA

One-way ANOVA showing the relationship between job security and worker preference to continue the job.

- **H₀** - There is no significant group mean difference between job security and worker preference to continue the job.
- **H₁** - There is significant group mean difference between job security and worker preference to continue the job.

Particulars	Mean Square	F-Value	p-Value
Job security	7.553	25.325	0.001***
Worker preference to continue the job	.298		

Note: (***) denotes 1% level of significance.

The Null hypothesis is rejected since p value falls below 0.01 and the Alternative hypothesis is accepted at the 1% level of significance. The conclusion drawn from this is that there is a sizable group mean difference among job security and employee preference to stay on the job.

5.0 FINDINGS

- The majority of online workers responded fall under the age group of 21 to 40.
- Males accounts up to 87 percent of respondents.
- 47 percent of online workers are Graduates.
- Majority of participants take up full - time employment engaging in the online platform works.
- Majority of the respondents are working in online platforms for 6 months to 1 year.
- 48 percent of respondents work 10 to 15 hours per day.
- 31 percent of the online workers receives a monthly salary of ₹10,000 - ₹20,000 on an average.
- 37 percent of the respondents are working as a food and grocery delivery partner in Swiggy.
- 48 percent of the respondents receive 10 - 20 orders per day.
- 65 percent of the overall respondents strongly agree that there is a lack of respect for among customers.
- 75 percent of the respondents have payed penalties in the cases of late delivery, not accept order etc.
- 92 percent of the respondents stated that they do not have the facility to register complaints for harassment from customers.

6.0 SUGGESTIONS

- In order to provide equitable schemes, the Government, Ministry of Labour and Employment must start an R&D to recognise or classify and obtain a thorough understanding of the diverse nature of platform work.
- To advance the legal, economic, and social rights of all gig-platform workers, platform enterprises should create collaborations along with non-governmental organisations.
- The Ministry of Labour and Employment should take an initiative to identify the small businesses and entrepreneurs engaged with the large scale digital platforms and support potential startups for future development.
- The Government should sought to facilitate provident funds, paid sick leave, health coverage, occupational illnesses and work - related injury insurance, old age plans, and some other contingency advantages to platform workers..
- The government could help the gig workers financially by granting interest-free business advances with postponed payback dates. Additionally, it aids in preparing students with the fundamental necessities for employment on the digital labour platform.
- Ministry of Skill Development and Entrepreneurship could provide skill enchantment programmes for medium and high skilled gig workers through the digital platform.
- The digital platforms should initiate for inclusiveness of elderly participation in the platform work and support them to gain skill development and digital literacy.
- Government should identify the women run platforms and supporting them with financial credit facilities for development and provide some schemes for the safety of the women gig workers.

- The large digital platforms/ applications like Swiggy, Uber, Urban company etc can take an initiative to provide secured full-time jobs at managerial levels with added benefits respectively.

7.0 CONCLUSION

Emerging towards the new era of Digitalization, the work opportunities provided by digital labour platforms will soon become the “new normal”. They serve as a medium in fulfilling the demands of people in all sectors. The future estimates of these platforms appear to bloom. The employment opportunities provided by the digital platforms should be planned with diversified job natures engaging workers in all levels of the management. Meanwhile the Government and policy makers should identify and provide suitable solutions for the challenges like uncertainty in jobs, lack of social security, work stress related to service partners such as working long hours, lack of dignity and respect, lack of financial credit facilities to equip etc. The policy makers should also take into account the support for small business platforms, inclusive benefits for female and elderly workers on this platform, and skill development training for all in order to harness the full potential of technological advancement and digitalization and create a future that offers decent work for everyone.

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