

1

Gig Workers and their Social Security Measures

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Abstract

This chapter examines the evolving role of gig workers in India and the urgent need for comprehensive social security measures to support them. As the gig economy expands across sectors such as transportation, construction, manufacturing, and digital services, millions of workers are participating in flexible, on-demand employment. While this model offers autonomy and new income opportunities, it often lacks essential protections such as health coverage, pensions, and job security. The analysis explores the motivations behind gig work, gender-based disparities, challenges like income instability and platform-based discrimination, and the growing economic contribution of gig workers. It further reviews national and state-level policy responses, including the Code on Social Security (2020), the e-Shram portal, and upcoming welfare schemes. The chapter also highlights the critical role of trade unions and NGOs in advocating for workers' rights and delivering support. It concludes by emphasizing the need for inclusive, enforceable, and simplified systems to ensure that gig workers are not left behind in the new world of work.

Keywords: *Gig Workers, Social Security, e-Shram Portal, NGOs, Job Security.*

Introduction

The current business climate is sometimes referred to as India's "Fourth Industrial Revolution." It has modified our previous ways of thinking, altered popular perceptions, such as how people interact with businesses, and produced a new, highly professional business environment. The Indian government has embraced the advantages of newer technology, which is replacing previous labor methods at an

accelerating rate. This is due to the continued pursuit of profitability in a world that is becoming more and more competitive. Aspects like labor markets have also changed significantly as a result of these shifts, as is the case with any system of interrelated organizations. One such outcome is the gig economy.

What is Gig?

The term "gig," which was first used several decades ago, appears to have become more popular in the modern era. In the current context, a "gig economy" refers to a short-term contract, temporary employment, or freelance work that an individual may undertake on a project-by-project basis, with payment due when the task is finished. The term "gig economy" refers to the fact that each task is similar to a separate "gig." "Economic activity that involves the use of temporary or freelance workers to perform jobs typically in the service sector" is one definition of them. The term "gig economy" refers to any platform that employs independent contractors, consultants, and workers in a variety of industries, including communications, social media marketing, information technology, content production, food and beverage, and creative industries like design and art. Therefore, the existence of a temporary or part-time work is referred to as a gig economy.

Factors Influencing to be Gig workers

Personal Motivations

- **Flexibility & Autonomy:** The primary allure is the freedom to set their own schedules and to work independently.
- **Pursuit of Passion Projects:** Gig work allows individuals to pursue creative or niche interests outside traditional jobs.
- **Desire for Variety:** Doing interesting projects and tasks across industries can provide more stimulus than one single full-time job.

Economic Drivers

- **Unemployment or Underemployment:** Whenever jobs are scarce, gig work presents itself as quick income alternative.
- **Supplementary Income:** Some engage in gig work to bring in extra income alongside their primary job.
- **Low Entrance Barriers:** Work opportunities offered by platforms like Uber, Swiggy, or Fiverr can be started with very little to no qualifications or investment.

Technological & Social Changes

- **Digital Platforms:** Since its emergence, more and more apps and online marketplace platforms have made gig work more and more accessible.

- **Changing Work Culture:** The younger adult generation prefers their freedom and work-life balance over job security.

Challenges That Also Shape the Decision

- **Lack of Benefits:** No health insurance or paid leave can be a source of worry.
- **Income Instability:** Earnings are largely unsolidified and vary according to demand, platform.

Male and Female Gig Workers

- **Roles & Participation Female participation Rates are Lower:** Depending on the sector, the percentage of women in India's gig economy fluctuates from 16-28% of the total number of gig workers in that sector.
- **Nature of the Work:** while transportation, technology and logistics sectors are dominated by men, women tend to occupy positions in caregiving, housework and customer service.
- **Earnings and Wage Gap:** The majority of female gig workers are found to earn between 7% and 48% less than their male counterparts, depending on the platform and sector. Women are faced with a range of influences leading to lower income when considering; the lack of paid jobs making it unlikely women will supplant current wage levels, inappropriate cultural pricing, and women's lower bargaining capacity.
- **Women's Challenges Safety Issue:** A woman lists both chance of harassment, and a lack of safety infrastructure, as two of the greatest barriers to joining the gig economy. Barriers to access financial instruments, smartphones, and the internet.
- **Opportunities for Inclusion Flexible Time:** increase income through gig work whilst meeting family & other commitments that are non-negotiable.
- **Platform Design:** innovation in safety, clarity in payment, and a level of support.

The Advantages and Disadvantages of Gig work

Advantages

- **Flexibility & Control:** You dictate your hours, clients, and projects. If you are an early riser, a night hawk, or if you have other commitments, this could be an ideal option.
- **Multiple Income Streams:** You can work in many different platforms or industries. For instance, you could drive for ride-share during the day and do graphic design at night.

- **Low Barriers to Entry:** Many gigs don't require formal education or job experience. You just need a smart phone and the willingness to work.
- **Remote Work:** With many gigs (especially digital gigs) you are able to work anywhere; your home, desk, café, or beach.
- **Skill Development:** Having exposure to many different tasks and clients through gig work can help you quickly build a skill set and experience.
- **Cost Savings:** You usually won't have to commute, wear formal clothes to the office, and daily expenses are usually reduced.

Disadvantages

- **Unstable Hours-Random Pay:** You won't get a paycheck you can count on. Gigs (even the same gig) can vary widely in the amount of work and consequently the pay.
- **Lack of Benefits:** As a gig worker you lose out on health insurance, paid leave and retirement options unless you go out and set them yourself.
- **Loss of Employment Security:** You could lose a gig overnight from a client, or even if the platform you are using decides they no longer want you work, or unprecedented barriers from the market (like COVID-19).
- **Lack of Interaction:** You're often working alone. This sometimes means less "socializing" - and less accountability and support from peers.
- **Generally Work Independently:** You're your own boss - but you also are your own accountant, marketer, HR department, etc.
- **Legal & Tax Considerations:** Do your due diligence when reading contracts and legal protections and considering taxes.

Growing Gig Workers in Construction, Manufacturing and Transportation Sectors

Construction Sector

- **Steady Growth:** The proportion of gig workers in construction in India has grown from 1.2% to 3.06%, highlighting the transition to project-based hiring.
- **Short-Term Employment:** Temporary labor has long been used in construction for short-term projects since project-based hiring comes naturally to the industry.
- **Cost Reduction:** Companies get rid of overhead costs by only hiring skilled labor when needed.
- **Platforms Supporting Technology:** There is an app to help connect masons, electricians, and carpenters with contractors.

Manufacturing Sector

- **Last to Come Up:** Due to slower-than-expected growth, manufacturing is turning to hire more task-based roles (e.g., packaging, assembling, quality checks).
- **Impact of E-commerce:** Other roles like warehousing and logistics are gradually turning into gig jobs.
- **Automation Plus Human Input:** Gig workers are utilized in flexible and repetitive roles while machines and automation do precision tasks.
- **Urban Migration:** Rural gig workers are moving to urban locations and electing for gig work in industrial hubs for short-term income.

Transportation Sector

Gig backbone: Possibly most gigified, transportation platforms have seen people working by the millions through Uber, Ola, Rapido, and Swiggy.

Key stats:

- By 2030, bike taxis could create roughly 5.4 million jobs, with a forecasted market size of \$1.48 billion.
- Hyper-local delivery and quick commerce have mushroomed, employing several hundred thousand gig workers.
- Flexible hours: To attractions for students, part-time workers, and those seeking extra income.

Economic Contribution of the Gig Workers through Various Industries

The participation of gig workers across various industrial sectors is fast becoming one the strongest economic engines for India wherein gig working is contributing simultaneously to employment generation, GDP growth, innovation, and proper service delivery. It is said that in the coming years, the gig economy can contribute up to 1.25% of India's GDP.

Transportation & Delivery

- **The Urban Mobility Backbone:** Gig workers play a vital role in ride-hailing services like Uber and Ola, as well as last-mile delivery driven by Swiggy, Zomato, and Dunzo.
- **Employment Generation:** The ridesharing sector could create 5.4 million jobs by 2030.
- **GDP Growth:** Efficient logistics through rideshare and delivery work lowers transaction costs, leading to better productivity.

Construction

- **Availability of Flexible Labor:** The gig economy lets construction companies hire workers on demand, filling various short-term roles in masonry, carpentry, and electrical work.
- Being able to hire workers as needed reduces labor costs for builders and improves their profit margins.
- Survey data shows that the share of gig workers in construction rose from 1.2% to 3.06% in recent years.

Manufacturing & Warehousing

- **Short Casual Tasks:** In manufacturing and distribution, gig workers handle simple tasks like packaging, sorting, and quality checks, especially in e-commerce hubs.
- E-commerce sites like Amazon and Flipkart extensively use gig workers to fill warehousing and delivery roles.

Creative & Digital Services

- **Freelancers:** India's digital economy is flourishing thanks to writers, designers, developers, and marketers.
- **Export Potential:** Indian freelancers make up 40% of all freelance jobs worldwide, second only to Americans.
- **Platform Economy:** Websites such as Upwork, Fiver, and Freelancer.com facilitate the creation of cross-border revenue.

Personal & Home Services

- **Convenience on Demand:** Gig workers use apps like Urban Company to offer cleaning, beauty, repair, and caregiving services.
- **Women's Participation:** More women are working in this industry, which promotes inclusive growth.

Social Security Definition

According to Webster's Dictionary, social security is "the principle or practice or a program of public provision (as through social insurance or assistance) for the economic security and social welfare of the individual and his or her family." Social security, which includes policies and programs on unemployment, maternity, disability, and employment injuries, is referred to as a human right by the International Labor Organization ("ILO") and is intended to prevent and lessen poverty and vulnerability at every stage of life. According to the Universal Declaration of Human Rights, social security is a "right" and a "entitlement" of all people, and its realization requires both domestic and international cooperation in general, social security's roots can be found

in the idea of a welfare state, in which the government is dedicated to giving its people a minimum level of financial security by shielding them from market risks related to aging, unemployment, accidents, and illness.

Issues Faced by Gig Workers Currently

Pay Per Task & Rating-Based Compensation

The majority of platform-based businesses use a pay-per-task business model, which pays employees for each delivery, ride, or service rendered as opposed to a fixed base salary. Furthermore, payment plans are frequently linked to performance indicators like client satisfaction, task completion rates, and demand during peak hours. Prior to August 2023, Zomato's work culture and job security were the subject of numerous reports. Workers have complained about stressful work environments, a lack of management support, and other issues.

Platform-Based Payment Disparities

Depending on the device a gig worker uses, different payment structures have been reported. For example, workers with iPhones may receive slightly higher payments than those using Android phones. The company's commission deductions, algorithmic bias in task assignment and pricing, and perceived economic status are some possible explanations for this.

Absence of a Standardized Pay Structure and Postponed Payments

In general, gig workers lack a formalized system for receiving payments. They are not provided with job security, benefits, or fixed wages. Workers claim that it occasionally takes weeks for even the daily wage system to be credited. This happens due to platform processing times and length withdrawal processes, unclear commission structures, and policy inconsistencies.

Labor laws on social security for Gig workers

- What the law/code covers: Code on Social Security, 2020—Consolidated 9 laws; includes gig and platform workers for the first time; Employees' Provident Funds Act, 1952—Pension savings made with employer-employee contributions
 - The Employees' State Insurance Act of 1948 gives salaried workers health care, maternity leave, and disability benefits.
 - The Payment of Gratuity Act of 1972 gives employees a one-time payment after five years or more of work.
 - The Maternity Benefit Act of 1961 pays for maternity leave and other benefits. The Unorganized Workers' Social Security Act of 2008 provides benefits for workers in the informal sector. The Building and Other Construction Workers Act of 1996 provides benefits and safety measures for construction workers.

- **Code on Social Security, 2020 (A game-changer)**
 - Put nine laws into a single framework • This framework includes gig workers, platform workers, and workers in the unorganized sector • The government, aggregators, and workers pay for the Social Security Fund that pays for the above-mentioned funds.
 - Made a vision for the National and State Social Security Boards to help them carry out their plans.
- **Challenges in Practice**
 - Workers don't know much, especially in the informal sector. Platform non-compliance: A lot of digital platforms haven't started making payments into the proposed fund yet.
 - Voluntary registration: Workers are supposed to sign up for sites like e-Shram, but this doesn't mean that everyone does.

Government Initiatives for Gig Workers for Social Security

National-Level Initiatives

- **Social Security Code, 2020**
 - In India for the first time, it offers a legal definition of platform and gig workers.
The government, aggregators (up to 2% of the yearly turnover), and employees all contribute to the Social Security Fund.
 - Offers benefits like health and maternity benefits, old age protection, and disability and life insurance.
- **e-Shram Portal**
 - A nationwide database of gig workers and other unorganized workers; a Universal Account Number (UAN); and a connection to worker welfare programs.
It is anticipated that more than 1 crore gig workers will register.
 - Gig workers can obtain health insurance coverage worth ₹5 lakh annually through the PM Jan Arogya Yojana (PM-JAY). Covers serious illness treatment and hospitalization.
- **Upcoming Schemes**

Future Plans In addition to health insurance plans, the government will expand life and accident insurance. Employees will also be able to take money out of their social security fund for unexpected expenses like marriage or schooling.

State-Level Initiatives

Initiatives at the State Level

- **The state of Telangana**
 - Gig and Platform Workers (Registration, Social Security and Welfare) Bill, 2025 was introduced.
 - For financing any benefits, a Welfare Board and a 1%–2% platform transaction fee are suggested.
 - Ensures equitable compensation, safety, grievance resolution, and protections against termination.
- **The state of Rajasthan**

In 2023, the first state passed the Platform-Based Gig Workers (Registration and Welfare) Bill. It aims to give gig workers social protection and legal recognition.
- **The state of Karnataka**
 - Developed a bill for gig workers' social security and welfare.
 - Suggests weekly payments, a Welfare Board, and employee IDs.

Social Security Schemes

Pension & Retirement Schemes

Scheme	Key Features
Atal Pension Yojana (APY)	For workers aged 18–40; offers ₹1,000–₹5,000 monthly pension after 60.
Pradhan Mantri Shram Yogi Maan-Dhan Yojana (PM-SYM)	Voluntary pension for unorganized workers; ₹3,000/month after 60; 50% contribution matched by govt.
National Pension Scheme for Traders & Self-Employed (NPS-Traders)	Similar to PM-SYM but for small business owners and self-employed individuals.

Insurance & Health Schemes

Scheme	Coverage
Pradhan Mantri Jan Arogya Yojana (PM-JAY)	₹5 lakh annual health insurance for poor and vulnerable families.
Employees' State Insurance Scheme (ESIC)	Health, maternity, and disability benefits for salaried workers.
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	₹2 lakh life insurance; premium ₹436/year.
Pradhan Mantri Suraksha Bima Yojana (PMSBY)	₹2 lakh accident insurance; premium ₹20/year.

Welfare for Unorganized Workers

Scheme	Purpose
e-Shram Portal	National database for unorganized workers to access welfare schemes.
Unorganised Workers' Social Security Act, 2008	Framework for delivering social security to informal sector workers.
Building and Other Construction Workers (BOCW) Act	Welfare and safety for construction laborers, including pensions and education support.

NGOs' and Trade Unions' Contribution to Gig Workers

It takes more than just legislation to create strong social protection for gig workers; trade unions and non-governmental organizations must actively participate. Each of them contributes in the following ways:

Trade unions

- **Collective Bargaining, and Negotiation**

Unions unite gig workers into associations to bargain with governments and platforms for more equitable pay, mandatory social security contributions, and open payout procedures.

- **Representation and Redress of Grievances**

In the event that platforms suspend or penalize members without warning, worker councils and unions offer official channels for submitting complaints, contesting unjust deactivations, and guaranteeing due process.

- **Advocacy for Policies**

Unions advocate for implementing the Code on Social Security, 2020, which includes requiring aggregator contributions (up to 2% of turnover) to a special fund for gig-sector benefits, both at the federal level and in state assemblies.

- **Legal Assistance & Support**

Numerous unions have legal departments that support challenges to algorithmic or contractual unfairness, aid in litigation, and educate gig workers about their rights under labor laws.

- **Building Capacity**

Unions instruct members on tax compliance, financial planning, and registering on portals such as e-Shram through workshops and collaborative training.

Non-Governmental Organizations (NGOs)

Awareness Campaigns & Outreach Nonprofits conduct campaigns to educate gig workers about their social security rights (health coverage under PM-JAY, pension plans, and accident insurance) through street corners, local media, and social media.

Advocacy & Policy Research

NGOs draw attention to implementation flaws in state-level welfare bills and the Social Security Code by briefing policymakers and publishing reports. They also suggest improved relevance and monitoring procedures.

- Legal Support For gig workers who are facing wrongful termination, nonpayment, or lack of prescribed benefits, numerous NGOs provide pro bono legal aid.
- Community Hubs & Helplines - NGOs link remote gig workers to peer networks, emergency assistance, and counselling through drop-in centres, WhatsApp groups, and toll-free numbers.
- Financial literacy and skill development NGOs collaborate with government programs and platforms to offer digital training.

Conclusion

The gig economy has opened new doors for flexible work, giving people more freedom over when and how they earn. But this flexibility often comes with a cost—most gig workers don't have access to basic social protections like health insurance, retirement savings, or job security. For many, a single accident, illness, or drop in income can create serious hardship.

Governments in India, including in progressive states, have taken steps to address these concerns. Welfare boards, insurance schemes, and subsidies for electric vehicles are encouraging starts. Yet, these efforts have only reached a small portion of workers so far. Limited awareness, complicated processes, and lack of platform cooperation continue to hold back real progress.

To truly support gig workers, we need stronger, more inclusive systems. That means simplifying access to benefits, making platforms share responsibility, and implementing laws like the Social Security Code in full. Most importantly, gig workers should be seen not just as users of apps or part-time earners—but as workers with rights, deserving of dignity, protection, and a secure future.

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