

<https://doi.org/10.64906/IJSSC.2025.02.03.90>

INTERNATIONAL JOURNAL OF SOCIAL SCIENCES AND COMMERCE [IJSSC]



ANALYSIS OF GIG WORKERS IN THE INDIAN LABOUR MARKET WITH SPECIAL REFERENCE TO BENGALURU URBAN

ANU THOMAS and DR. CJ LAKSHMI

MA, Lecturer, Department of Economics, Mount Carmel College, Bengaluru-560001,

Email: anuthomas@mccblr.edu.in

Associate Professor, Department of Economics, Mount Carmel College, Bengaluru-560001, Email:

lakshmi.cj@mccblr.edu.in

Article History

Volume:2, Issue:3, 2025

Received: 25th December 2025

Accepted: 28th December 2025

Published:30th December 2025.



Abstract: Between 1951 to 2012, there has been a significant shift in the population from agriculture to manufacturing and services. It was mainly during this time, when people started pursuing multiple small jobs, free-floating projects transcending themselves into digital marketplace where workers connect with their customers through online platforms. Freelancers with short-term commitments and workers who are connected through online platforms such as Uber, Ola, Swiggy and Zomato include themselves in this economy. Niti Aayog's report India's Booming Gig and Platform Economy estimates that by 2029, nearly 23.5 million workers are going to be engaged in the gig economy noting that the gig workers are facing issues in terms of unfair contracts, lack of healthcare schemes, no social security and employment benefits. This is a characteristic feature of the Indian labour market laws to limit employer's rights. The focus of this study is to analyse the financial constraints of a typical gig worker and to understand the push/pull factors that are responsible for the growth of platform and non-platform workers. Anova Single Factor and Multiple Regression were used in this study. We found that in a city like Bengaluru, there is a significant positive relationship of having secondary job with avoidance of tax from additional income and job satisfaction derived from secondary job.

Keywords: Gig economy, Skill-India, Platform-India Initiative, E-shram, independent contractors, Indian-labour market

JEL Code: J20, J21, J24, J290, J690, L50, R00, R10, R11, R20, R23, Z00

Author's Citation: Anu Thomas and DR. CJ Lakshmi., ANALYSIS OF GIG WORKERS IN THE INDIAN LABOUR MARKET WITH SPECIAL REFERENCE TO BENGALURU URBAN.,IJSSC.Vol.2.(3): 2025,PP: 90-100, <https://doi.org/10.64906/IJSSC.2025.02.03.90>

1. Introduction

The world is slowly moving from working for someone to working for themselves. Over this past decade, the number of independent workers/freelancers/gig workers has been growing rapidly. This growth is driven by two things, supply side and demand side. From supply side, it can be characterized as individuals providing services by working independently, having their own startup ideas to serve the society, opening a new store and selling products, forming new connections, and working with clients with their own belief and work ethic they carry. From a demand perspective, we can see that growth is driven by innovation and updated skill, workers open to upskilling and reskilling themselves to meet the market requirement, which is why independent and skilled workers are highly demanded by different companies. Gig work has been growing at slow pace until the onset of Covid19 where it rapidly adopted a digital workplace and this triggered the increase in digital transition from the traditional employee-employer setup. There are two types of gig workers, Platform workers who provide services through an online platform. Examples could be workers on Swiggy, Zomato, Uber, Ola, Namma Yatri, TaskRabbit, Upwork, etc. These individuals are self-employed and independent contractors. The other type is the non-platform workers who are referred to as conventional/regular workers who perform work for an employer in accordance with an employment contract. They are paid salaries on an hourly basis. Industries like manufacturing, retail, healthcare, hospitality employ non-platform workers. These people come under the unorganized sector. The only similarity that these two types have is that neither of them is entitled to social security, health-care benefits, company/industry benefits or perks. Hence government has built facilities like Platform India Initiative which serves as stored data for open public usage which will help Government ministries/Departments to increase transparency in the functioning of the Government and to accelerate platformization by funding support, incentives and upskilling in the unorganized sector. We have Skill-India Portal to train aspirants/individuals with market relevant skills in order to create new employment opportunities and create young talent among Indian youth, launch of E-Shram portal which has been introduced by the Ministry of Labour and Employment wherein unorganized sector can register themselves acting as a national database for the central and the state government to tackle an unforeseen national crisis in future.

This research aims to establish the impact of the gig workers aged from 18 to 60 years old in the Indian Labour Market, and to find out their motivation or drive behind working in this freelancing industry, whether their income is sustainable or not, and if they are able to

derive the benefits. This research examines whether gig workers have a strong hold in the market in this time period. We will dig a deeper understanding on the concept of having two or more jobs, and understanding the goals and motives of each age group along with their financial precarity. This research will help us understand the tax compliance structure of the gig workers.

2. Review of Literature

2.1 David Peetz (2019) “Flexibility, the gig economy and the employment relationship”

has tried to describe one person's flexibility as another person's uncertainty just as one person's stability equals another person's rigidity. Two interpretations are: flexibility leads to uncertainty which is a bad thing, and rigidity can be stable which is a good thing. According to employees, flexibility is desirable matching the expansion of market forces and movement of neoclassical economic ideas also described as market liberalism. Some platform workers who work their primary job somewhere else may not be very attached to their jobs and may not be very inclined to organize protest due to their working circumstances. However, workers whose entire source of income comes from the gig economy may react very differently in attempts to organize improved working conditions. To sum up, digital technology has enabled the emergence of a new type of work organization as the platform or gig economy.

2.2 Melissa Cano (2021) “Flexibility and freedom for whom. Precarity, freedom & flexibility in on-demand food delivery”

The research study shows how the emergence of algorithmic management as a tool for managing the labour process reduces and limits both freedom and flexibility of platform workers. It also examined why implementation of a free login system led to an increase in workplace instability and insecurity. It shows that these gig apps deal with on-demand recruiting by using piece rate structure and algorithmic management to exercise labour control. Platform companies assert that workers' job flexibility will grow by allowing them to connect and disconnect at any time. The issue is that allowing employees to choose when to connect and withdraw from the platform did not actually provide them more control over how their jobs were performed, hence it was insufficient to boost their workplace flexibility and freedom. Thus, digital applications really use structural limitations to deny platform workers full control and limit their options in spite of promising full flexibility.

2.3 Romina Bandura (2018) “India’s future workforce trends: Challenges and Drivers”

study shows that most of the Indians who are employed work in jobs which are low paying. And that there is only limited employment creation in the formal economy which means people only have one alternative to work in the informal economy. It projects the “Make in India” initiative, the drive towards digitization, and “bankification” are all

attempts at decreasing the pertinence of the informal sector. Another is low participation among women, third being low education quality leading to skill gaps. Most of the labour workforce in India comes from youth, these workers have been part of their own gig economy doing jobs for years but still receiving less wages and no social protection. Also, the improvement in the income opportunity and quality of work in the informal sector is something India needs to address.

A.J. Haja Mohideen et al (2025) opined that, Gig economy benefits both the employers and workers in terms of low-cost labour, a more agile and adaptable workforce and freedom to choose projects, increased flexibility, autonomy, and diverse income streams respectively but the issues like Labour exploitation, Job security, Issues with payment, Regulatory framework and Lack of organizational support will pose challenges and questions the sustainability of Gig Economy. By building a strong professional development, and effective workforce management, gig workers and businesses can maximize the benefits of gig economy. Governments should come forward with strong legislations and frameworks to make the gig economy more viable. The gig economy must become more structured in order to become sustainable and integrated into a country's economy.

3. Research Objectives

- To determine the relation between income derived from gig work and job satisfaction
- To determine the causal factors of preference towards secondary job

4. Methodology

One hundred and one responses were collected from this survey. This survey was conducted via google forms and in person interviews. This form was shared among people between the age group of 18 years to 60 years. The respondents of this survey were either freelancer (online/platform workers) or unorganized (non-platform workers). The respondents of this study are diversified either as people working part-time or temporary work and they consider it as their main source of income (primary income) and other set as people who have a regular job but are also interested in earning more by taking up small gigs which come under the category of secondary income. Below figure shows the relationship status and the dependents of the earning members.



To determine the relation between income derived from gig work and job satisfaction

Anova: Single Factor

SUMMARY

Groups	Count	Sum	Average	Variance
JOB SATISFACTION	101	281	2.782178	0.872079208
MONTHLY INCOME	101	16240000	160792.1	2.96641E+11

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	1.31E+12	1	1.31E+12	8.802457439	0.003375	3.888375
Within Groups	2.97E+13	200	1.48E+11			
Total	3.1E+13	201				

- The first objective has been solved by using Anova single factor. The above figure shows two variables taken, which is job satisfaction and income.
- The above values show us the F-value which is 8.802 which indicates the overall significance of the relationship between income and job satisfaction. And it also shows the (p-value=0.003375) which indicates the probability of observing a relationship as strong or stronger than the observed indicating that the relationship is statistically significant.
- Hence, we reject the null hypothesis (H0) and accept the alternative hypothesis (H1). There is a significant relation between the income derived from part-time/gig/secondary job and job satisfaction of the same.

To determine the causal factors of preference towards secondary job

```
Call:
lm(formula = SECONDARY.JOB ~ PRIMARY.JOB + TAX.FROM.ADDITIONAL.INCOME +
    Flexibility + incentives + JOB.SATISFACTION, data = gig)

Residuals:
    Min       1Q   Median       3Q      Max
-0.8158 -0.3511 -0.1270  0.3878  0.8407

Coefficients:
              Estimate Std. Error t value Pr(>|t|)
(Intercept)    1.01235    0.31646   3.199  0.00187 **
PRIMARY.JOB    -0.20357    0.10280  -1.980  0.05058 .
TAX.FROM.ADDITIONAL.INCOME  0.32576    0.09863   3.303  0.00135 **
Flexibility     0.03555    0.05486   0.648  0.51851
incentives     -0.03234    0.04021  -0.804  0.42329
JOB.SATISFACTION  0.12712    0.05020   2.532  0.01297 *
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.4538 on 95 degrees of freedom
Multiple R-squared:  0.2079,    Adjusted R-squared:  0.1662
F-statistic: 4.986 on 5 and 95 DF,  p-value: 0.0004248
```

- Estimated intercept is 1.0123: Reason behind individuals choosing gig work as secondary job
- P-value: 0.00187, suggesting significant baseline level of having secondary job even when other predictor variables are not considered.
- Weak negative relationship btw primary job and secondary job/gig work which suggests that due to minimal salary he derives from primary job, he goes ahead in search for various gigs.
- Second predictor: Tax from additional income which our respondents were found to be avoiding. P-value: 0.00135, there is a positive relationship between avoidance of tax from additional income of secondary jobs
- Flexibility (p-value=0.51851) and incentives (p-value=0.423), greater than significance level, show no significant impact on the reason behind people choosing part-time jobs.
- To summarize, model provides evidence of a positive relationship of having secondary job with avoidance of tax from additional income and job satisfaction derived from secondary job. And presence of primary job has marginal effect. Variables like flexibility and incentives show no significant relationship with choosing secondary/gig work.

5. Results and Discussion

GIG WORKER CATEGORY

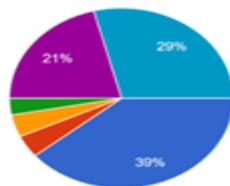
101 responses



From the above figure, we notice that out of the total, 55.4% of the respondents are married, out of which 53.5% have children and 44.6% of them are single.

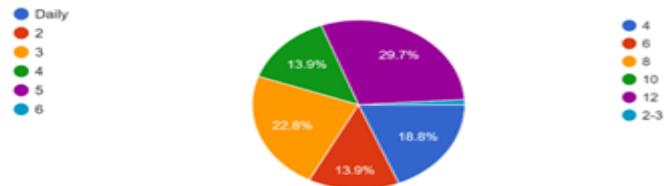
This above figure shows the future goals the respondents carry. We notice that the green portion takes up the largest (43.6%) who say that they push themselves to work in any job just to become financially independent so that they can feed themselves and their dependents. The red portion shows 31.7% of the respondents belong to that group who have interest in earning as much as possible, this could be due to many factors like peer-pressure, wanting a better lifestyle or simply having more financial responsibility. Blue portion (19.8%) say that it was their personal decision to work as a gig worker/ freelancer which tells us that it could be because they were interested, highly skilled, wanting to gain relevant experience in their field to increase their chances of getting hired in future. The small yellow portion (5%) represents those respondents who are doing this job for a short time till they get a proper job, also includes some who are working as a freelancer but also preparing for competitive exams to get a job.

DAYS WORKED PER WEEK
100 responses



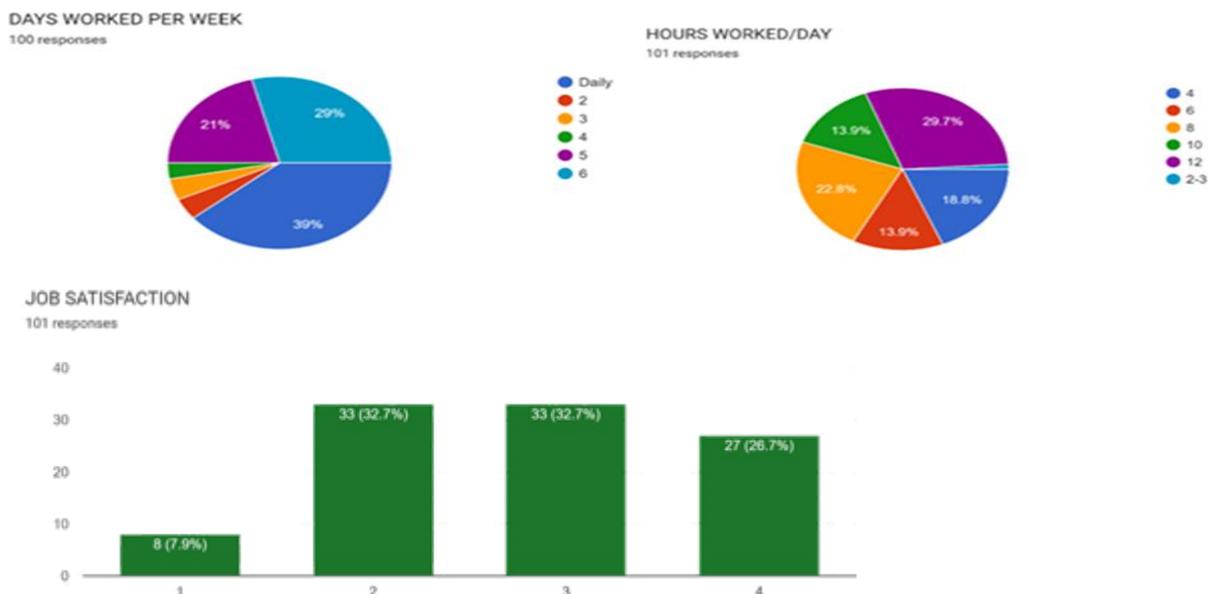
(A)

HOURS WORKED/DAY
101 responses



(B)

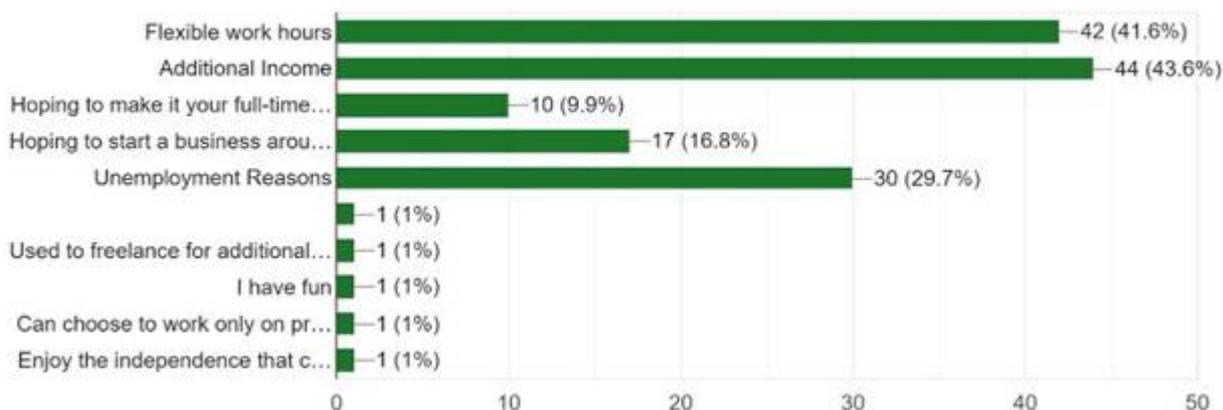
We have 2 graphs. Figure A shows the number of days a worker works for his living, out of the total respondents, 39% work daily. The second graph B shows hours worked in a day which shows us that 29.7% are working for 12 hours, which explains that most of our respondents worked daily for more than 12 hours which explains the concept of burnout and this leaves no time to themselves, hence the question of work-life balance arises.



The above bar graph represents the job satisfaction levels, 1 being least satisfied and 4 being extremely satisfied. We see that there is a tie between points 2 and 3 with an equal number of respondents of 33 each covering a percentage 32.7% in both points. 26.7% of respondents were happy or extremely satisfied with their job. And 7.9% were extremely dissatisfied which could be due to various factors such as being forced to work, their income levels not matching their expectation, huge compromise in their work environment or being exploited by their bosses.

WHY DID YOU CHOOSE TO BE A GIG WORKER

101 responses

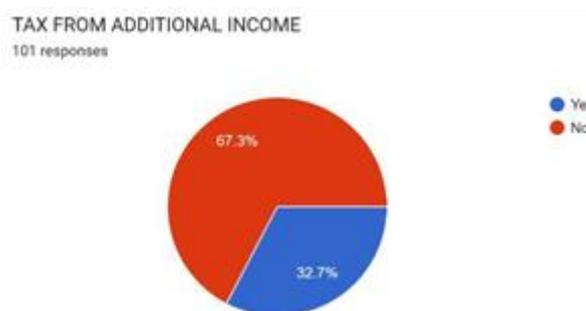


The figure above shows some of the factors behind a worker's choice to become a gig worker. Most of our respondents mentioned that their primary reason behind finding flexible jobs is additional income. Because as we know most of the middle income group who are working in a traditional setup have no discretionary income. So they prefer working independently. Second being flexible work hours which was selected by 41.6% of

the respondents, lastly the third main primary reason is due to growing unemployment in the labour market. This occurs when the individual's skill set does not match the company's requirement.



The above two graphs explain the monthly income and monthly expenditure of a gig worker. When asked during interviews most of them explained that their monthly income decreased post Covid either by 2/3rd and very few replied it has remained the same as their actual income was already very less. As we see from the graph, 48.5% of the respondents said that their monthly income ranges within the 10000-50000 category, with most being around 30k. And as we look at the expenditure, we see that 34.7% of the respondents spend around 30k on average to fulfill their financial responsibilities like paying fees, paying off their debt for the loan that they took for buying their vehicle, paying house rent which in Bangalore can be quite expensive.



The above figure can show us the most important factor which tells why people choose to engage in the gig economy. Workers prefer to keep their income to themselves. In a traditional set-up, workers get disposable income. But while working as an independent contractor, a worker is not obliged to pay any tax since the client pays directly after he receives the service. As we see from the above graph, 67.3% of our respondents don't pay

tax through their additional income source, instead they keep that money for themselves. The study is limited to various locations in Bangalore city. Sample size is small.

6. Conclusion

From this study, it is found that most of the individuals in Bangalore Urban either prefer to work on their own and upskill themselves to meet the labour market requirements. As we know Bangalore being the IT hub of India, it is already at par with the growing digital technology and technologies like AI and Big Data taking over, people who have a strong hold on technology like computer programmes and having knowledge of different softwares are most preferred and demanded by the recruiters. This encourages most of the youth to upskill themselves digitally. Individuals here in Bangalore Urban prefer to be working in the private sector, most of them involve themselves in their own Startup businesses rather than the government sector. Government initiatives like Skill India launched in 2015 catered to training aspirants or individuals wanting to upskill to meet the market relevant demand. Other government initiatives being platform India and E-Shram portal meant as a national database for unorganized sector and gig workers. Workers in Bangalore who are involved in Gig economy working in either of the platform or non-platform jobs are very career driven and goal oriented which makes the gig labour market very competitive and cut-throat, hence the gig workers in this city experience a very fast-paced work-life. Gig workers in Bangalore focus more on their own career advancement, and factors like flexibility, work environment, different career pressure least affects them. Workers who are not satisfied with the salary from their primary job are seen to be involved in different part-time/gig/secondary jobs. The income they derive from their part-time/gig/secondary job is at par with satisfaction they derive from it. Labour market in Bangalore is very competitive. Workers who work in delivery/transportation apps don't get paid much. Before covid, the salary was much higher. After Covid, it has reduced by 1/4 .

However, we can't overlook the current socio economic status of gig workers such as delivery service providers like Zomato, swiggy and hailing service providers like Ola, Uber, Namma Yatri, Rapido. In a democratic country like India, we require strong labour laws which support the employee and this can be achieved only through state intervention. India is a mixed economy wherein we cannot completely do away with welfare, hence, labour unions need to be incentivized. This would allow the gig workers to negotiate for better pay and working hours. We are also the biggest capital of human resources in the world after the US. But the labour is segregated into unskilled, skilled, unorganized and organized sectors. With upskilling, there continues to be an educational gap in the labour

market. To conclude, the working age dividend is projected to be till 2040, therefore, the state needs to shift its priorities back to fundamentals like providing quality education.

References:

1. PEETZ, D. (2019). Flexibility, the ‘gig economy’ and the employment relationship. In *The Realities and Futures of Work* (pp. 141–178). ANU Press. <http://www.jstor.org/stable/j.ctvq4c16w.11>
2. Bandura, R., & Sword, C. (2018). India’s Future Workforce Trends: Challenges and Drivers. In *The Future of Global Stability: The World of Work in Developing Countries* (pp. 3–15). Center for Strategic and International Studies (CSIS). <http://www.jstor.org/stable/resrep22497.5>
3. Alakh N. Sharma. (2006). Flexibility, Employment and Labour Market Reforms in India. *Economic and Political Weekly*, 41(21), 2078–2085. <http://www.jstor.org/stable/4418262>
4. Cano, M. R., Espelt, R., & Morell, M. F. (2021). Flexibility and freedom for whom? Precarity, freedom and flexibility in on-demand food delivery. *Work Organisation, Labour & Globalisation*, 15(1), 46–68. <https://doi.org/10.13169/workorgalaboglob.15.1.0046>
5. National Skill Development Corporation (Ministry of Skill Development & Entrepreneurship) <https://reports.skillindia.gov.in/>
6. Ministry of labour & Employment: National database of unorganized workers- E-Shram Portal <https://eshram.gov.in>
7. [Mohideen AH, Khatoon S, G Y S, Singh S, Rafee BM. GIG Economy: Emerging Trends and Challenges After Globalisation. J Neonatal Surg \[Internet\]. 2025](#)