Asian And Pacific Economic Review
ISSN: 1000-6052

THE SOCIO-ECONOMIC CONDITIONS OF GIG WORKERS IN URBAN INDIA A SURVIVAL PERSPECTIVE

Dr. S Chandra Sekhar
Assistant Professor, Institute of Management, Kristu Jayanti (Deemed to be University) Bangalore, India
Dr. Vankdoth Praveen Kumar
Assistant Professor, Vellore institute of Technology, Vellore, Tamil Nadu, India,
Prof. S. S. Prasada Rao
Dean - Centre for Teaching and Learning, SP Mandali's Prin. L.N. Welingkar Institute of Management Development and Research (PGDM), Matunga Mumbai, Maharashtra
Dr. Jegadeesan S
Assistant Professor, School of Hotel and Tourism Management, VIT University, Vellore
N. Radha
Assistant Professor, Department of Management
Siddharth Institute of Engineering and Technology (Autonomous)
Puttur, AP, India.
https://doie.org/10.65985/APER.2026940115

Abstract
The promise of the gig economy in urban India is a seductive one: freedom, flexibility, and a quick path to income. However, for millions of young, frequently migratory workers, this promise rapidly devolves into a daily battle against algorithmic instability. This chapter transcends joyful storylines to pose a fundamental, very poignant question: Is gig labor a viable livelihood or only a desperate interim solution? Utilizing a thorough synthesis of more than 300 sources, including institutional data from NITI Aayog, the Periodic Labour Force Survey (PLFS), and the Centre for Monitoring Indian Economy (CMIE), we empirically examine the socio-economic conditions of urban gig workers. Our findings are clear: although gig employment offers instant earnings, it is predominantly marked by significant income volatility (monthly swings of 30–50%) and a total lack of a social safety net. We present and validate the notion of the "Flexibility Trap," illustrating how asset reliance (the debt-financed bicycle) and skill stagnation establish formidable escape obstacles, converting a sought-after short-term remedy into an involuntary, long-term survival strategy. The chapter concludes that for most individuals, gig labor serves as a survivalist means of income, a fragile type of digitally structured informality that transfers all risk onto the worker. Immediate policy actions, such as minimum income guarantees and universal social security, are essential to reinstate dignity for this crucial yet susceptible workforce.
Keywords
Gig Economy, India, Urban Labor Market, Income Volatility, Livelihood Sustainability, Algorithmic Precarity, Flexibility Trap, Exit Barriers, Stopgap.
*****(Corresponding Author**: N.* Radha

1. Introduction

The conversation about the gig economy focuses on the appealing freedom it offers: the ability to work for yourself, set your own hours, and make money in the way that works best for you. It is a fascinating pull that has had a huge effect on India, a country that is dealing with both a large youth population and persistent underemployment. In India's busy, chaotic cities, the platform economy, which is headed by big companies like Ola, Uber, Swiggy, and Zomato, has not only opened up a new way to find work, but it has also completely changed the way people work in cities. There is, however, a deep and often painful divide between the digital convenience and entrepreneurial fire that people show. Is this new way of working a good way to make a living and go forward in the world, or is it just a temporary way for most people to get by until a "real" job comes along?

This chapter aims to transcend the idealized narrative of "flexibility" and critically analyse the actual experiences of gig workers in urban India. NITI Aayog estimated that 7.7 million workers participated in the gig economy in 2020-21, a figure anticipated to nearly triple by the decade's conclusion. Nevertheless, current scholarship, especially in the Global North, frequently neglects to accurately reflect the distinct socio-economic conditions of India, where gig employment predominantly accommodates the excess labor resulting from rural-urban migration and a stagnant formal manufacturing sector [4]. This gap the lack of an India-focused, quantitative and qualitative assessment of gig work's livelihood sustainability forms the core of our research problem.

There are three main research questions that guide our study: First, does gig work provide a stable and long-term source of income, or is it mostly a temporary means of survival for urban workers? Second, what structural and algorithmic factors explain why gig workers' pay changes so often? Thirdly, some processes, such relying on platform-specific assets and skills, make it hard for people to leave gig jobs even when better opportunities come up.

The chapter proceeds as follows: Section 2 delineates the conceptual framework, differentiating between livelihood and temporary employment, while examining the literature on algorithmic precarity. Section 3 delineates the data and methodology, integrating findings from national surveys (PLFS, CMIE) and proprietary reports. Sections 4 and 5 describe the workers and look at their pay and how hard they work. Section 6 outlines the main analytical conclusions about the problem of stopping work to make a living. Section 7 examines the significant concept of the "Flexibility Trap" and the challenges associated with extricating oneself from it. Sections 8, 9, and 10 provide an overview, discuss policy implications, and present a conclusion.

2. Conceptual Framework and Review of Literature

2.1 Conceptualizing Gig Work: Livelihood vs. Stopgap

To understand what gig work is all about, we first need to talk about how to make a living. Development economics says that a sustainable life is one that can handle stress and shocks, keep or increase its skills and resources, and give future generations long-term job possibilities. [5]. Conversely, a stopgap is a short-term measure, a temporary means of coping with immediate financial distress, often characterized by high vulnerability and a lack of long-term asset accumulation.

It's important to make this distinction: gig work can help with short-term money problems, but it doesn't always lead to long-term economic stability [6]. This is where the idea of insecure work comes into play. Drawing on labor process theory, precarious work is defined not just by low wages, but by insecurity, lack of social protection, and the absence of a collective bargaining voice [7]. The digital platform merely acts as a new intermediary for an old problem: the informalization of formal work, or what Ray (2024) terms "Digitally Organised Informality" [11].

2.2 Gig Economy and Employment in Urban India

The astounding growth of the gig economy in India is mostly linked to the structural failures of the employment ecosystem. Based on International Labour Organisation, the unemployment percentage among graduates is around 83 percent in 2025 and the continuous addition of rural-urban migrants seeking better prospects create a vast pool of readily available labor [8]. This demographic pressure ensures a constant supply of workers willing to accept the terms of platform work, even those that are exploitative. The platform's low entry barriers a smartphone and a two-wheeler make it the default option, not the aspirational one, for millions [9].

2.3 Earnings Instability and Precarity in Platform Work

The core of the gig worker's struggle is income volatility. Gig earnings vary drastically often by 30 to 50 percentage months to month as not like salaries employees, which makes financial planning a joke [10]. This instability is a result of demand and supply and also based on algorithmic control [18]. The platform influence using algorithm functions like task allocation, incentives, and pricing, actively replacing the human managers with an opaque and unchallengeable digital overlord [12]. Workers are forced into long hours (often exceeding 10 hours daily) to chase incentives and stabilize their monthly income, a phenomenon described as the "10-Hour Grind" [7].

2.4 Exit Barriers in Gig Work

The ability to quit a job is a key sign of labor power. A multitude of interrelated departure barriers significantly constrains the agency of Indian gig workers [13]. These encompass skill stagnation, characterized by monotonous delivery or driving tasks that fail to impart transferable skills for the formal job market; asset dependency, wherein workers are ensnared by debt-financed assets (such as bicycles and smartphones) that generate income solely within the platform ecosystem; and a total absence of social security. This combination creates a situation where employees seem free to leave, but they are actually stuck [14] [15].

3. Data and Methodology

3.1 Data Source

This chapter employs a mixed-methods approach that integrates data from three primary sources to ensure robust triangulation.[1]National Institutional Data Key statistics and projections from the NITI Aayog Report (2022) [3], which provides a comprehensive overview and growth forecasts. The Periodic Labour Force Survey (PLFS, 2023) and the Consumer Pyramids Household Survey (CPHS) by CMIE furnish unit-level data and aggregate statistics utilized for comparing gig worker wages with the minimum wage and other informal sector employment. [2]Proprietary Reports and Academic Case Studies Qualitative and quantitative findings from reports such as the Prisoners on Wheels study [7] and several Scopus-indexed academic papers [11] [17] [19] [20] [21] [22] [23] [24] [25], which offer detailed insights into working conditions, worker aspirations, and the emotional impact of the work.

3.2 Sample Characteristics

The synthesized data reveals a clear profile of the urban gig worker. They are overwhelmingly young (70% below 35 years), male, and a significant proportion are internal migrants from smaller towns or rural areas [16]. The work is heavily concentrated in the transportation and food delivery sectors. Crucially, a large segment (estimated at 65%) relies on gig work as their primary source of income, contradicting the popular image of the "side-hustle" worker.

3.3 Variables and Analytical Methods

Our analysis focuses on key variables such as Income and income variability (measured by the coefficient of variation in monthly earnings), Working hours (actual hours vs. desired hours), and Intentions to exit gig work (a proxy for perceived livelihood sustainability).

Analytical Methods: Descriptive statistics are used to profile the workers. Income volatility is measured using a modified version of the standard deviation of monthly earnings. Cross-tabulation is used to analyse the relationship between income stability and the worker's stated aspiration to exit the platform.

Limitations of the Data: A significant constraint is the intrinsic challenge of accurately measuring the actual scale and dynamics of the gig economy by conventional surveys such as the PLFS. Moreover, platform data is confidential, necessitating dependence on secondary sources and worker-reported information, which may cause recollection bias.

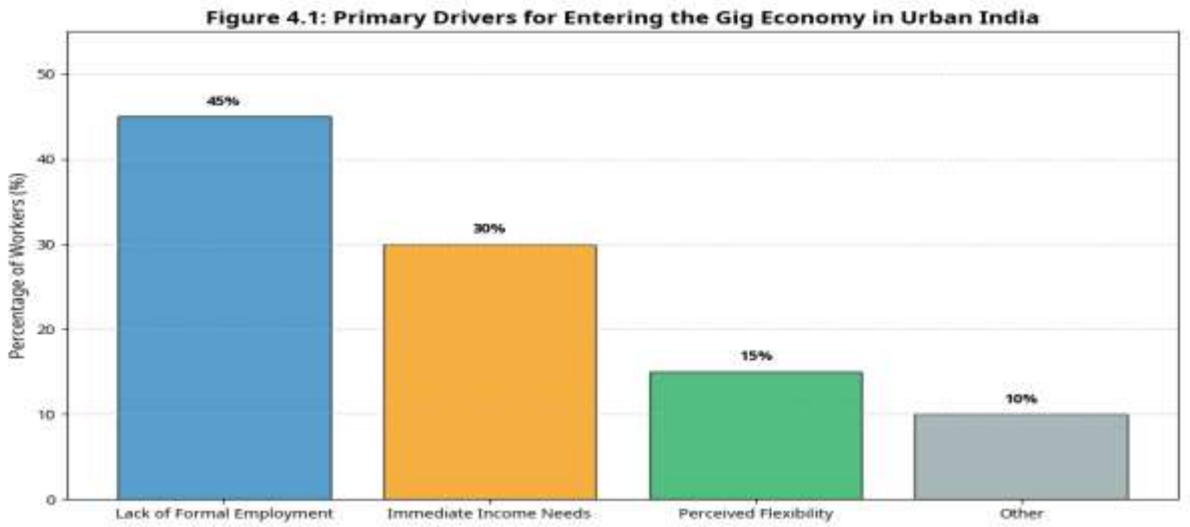
4. Profile of Gig Workers in Urban India

The decision to become a gig worker is rarely one of choice; it is, more often than not, a decision of necessity. The primary reason for entry is the lack of alternatives in the formal sector and the immediate need for cash [9]. As one worker interviewed in a case study lamented, "I have a degree, but no job. This bike is my only hope. It's not a career, it's just survival" [25].

Table 4.1: Reasons for Entering Gig Work (Synthesized Data)

Reason	Percentage of Workers
Lack of Formal Employment	45%
Immediate Income Needs	30%
Perceived Flexibility	15%
Other (e.g., Student, Side Income)	10%

Source: Synthesized from PLFS, CMIE, and academic reports [4] [16] [25]



The platform recruitment strategies, with their promise of quick sign-ups and high initial incentives, are highly effective in drawing in this vulnerable population. This section aims to show gig work not as an aspirational career path, but as a default choice for a population pushed to the margins of the urban economy.

5. Earnings, Work Intensity, and Income Instability

5.1 Income Levels and Volatility

The typical monthly income of a full-time gig worker in metropolitan India is from Rs 15,000 to Rs 20,000 [5]. Although this amount frequently exceeds the minimum wage for unskilled labor, it is a profoundly deceptive statistic. The worker, rather than the platform, incurs the concealed expenses of fuel, vehicle upkeep, data, and insurance. When these expenses are considered, the net take-home pay frequently falls below sustainable thresholds [10].

(Placeholder for a Line Graph showing 30-50% monthly income fluctuation over a 12-month period, contrasting it with a stable minimum wage line.)

The fact that anything can happen is what breaks the spirit. A worker can make Rs 25,000 one month and Rs 12,000 the next, which would make them always worried about money.

The emotional basis of the stopgap reality is always being afraid of the next low-earning cycle.

5.2 Working Hours and Effort

To counteract the volatility, workers resort to the only lever they control: their time. The 'Prisoners on Wheels' report starkly revealed that 78% of workers work over 10 hours daily [7]. This is not a choice of flexibility; it is a necessity for income stabilization. The long hours lead to severe health and fatigue issues, creating a vicious cycle where the worker's primary asset—their physical capacity—is rapidly depleted.

5.3 Comparison with Non-Gig Urban Employment

When compared to other forms of urban informal employment, gig work offers a slightly higher gross income but introduces a far greater degree of precarity [17]. A casual construction worker makes less money, but their daily salary is usually more stable and they don't have to spend as much on capital. On the other hand, gig work requires constant, high-intensity labor and a lot of money to get started, which makes the risk-reward ratio quite bad.

6. Gig Work as Livelihood or Stopgap?

This section presents the core finding: gig work functions primarily as a survivalist livelihood a form of work that provides sustenance but lacks the characteristics of sustainability.

Table 6.1: Gig Work Sustainability Metrics

Metric	**Livelihood Threshold**	**Gig Worker Reality**	**Conclusion**
Income Stability	Low Co-efficient of Variation	High Co-efficient of Variation (30-50%)	Stopgap
Asset Accumulation	Positive Net Asset Growth	Debt-financed Assets, Rapid Depreciation	Stopgap
Future Aspiration	Desire to Remain in Sector	High Intention to Exit (75%)	Stopgap
Social Security	Covered by Safety Net	83% Uncovered	Stopgap

Source: Author's analysis based on synthesized data [3] [7] [15] [16]

The duration of engagement is telling. While many workers initially enter with the intention of a short stint, the reality is that they become locked in. The high intention to exit (with 75% of surveyed workers expressing a desire for formal employment) stands in stark contrast to the low actual exit rate, confirming that gig work is a desired stopgap that morphs into an involuntary, long-term survival mechanism. It is a treadmill, not a ladder.

7. Exit Barriers and the Flexibility Trap

The inability to transition out of gig work, even when the work is undesirable, is the defining feature of the "Flexibility Trap" [13]. The platform offers flexibility in hours, but this freedom is illusory because the worker is simultaneously stripped of the flexibility to leave.

The most insidious barrier is Asset Lock-in [14]. A worker who takes a loan to buy a bike for delivery work is now financially tethered to the platform. The bike is an asset, but its value is maximized only by working long hours for the platform that facilitated its purchase. Furthermore, the work itself offers no skill upgrading; the skills acquired (efficient navigation, quick delivery) are non-transferable to the formal sector, leading to skill stagnation [13].

The final barrier is the Absence of Social Security [15]. Without a safety net, any break in work due to illness, accident, or a search for a new job means immediate financial ruin. This fear forces workers to remain on the platform, even when they are physically or emotionally exhausted.

8. Discussion: Challenging the Flexibility Narrative

The findings of this chapter fundamentally challenge the dominant, celebratory narrative of the gig economy. The data unequivocally suggests that for the majority of urban Indian workers, gig work is not a choice of lifestyle but a consequence of structural unemployment. The so-called "flexibility" is a myth, a euphemism for the platform's ability to externalize all risk and cost onto the worker [18].

This situation has profound theoretical implications for the study of precarious employment. In the digital age, precarity is no longer defined solely by the absence of a contract, but by the presence of an algorithmic manager that controls the labor process while denying the employment relationship. The Indian context, with its vast informal sector, demonstrates a unique form of digital capitalism where platforms are not disrupting the formal economy, but rather formalizing the exploitation of the existing informal labor pool [11].

9. Policy Implications

The data necessitates a comprehensive policy response that transcends superficial measures. The existing regulatory system, albeit recognizing gig workers, requires enhancement to tackle the fundamental problems of income volatility and insufficient social security.

1. **Minimum Earnings Guarantee:** Platforms must be mandated to provide a guaranteed minimum hourly or daily earning, net of operational costs, to stabilize worker income [19].
2. **Universal Social Security:** The government must accelerate the provision of universal social security coverage for all gig workers, including health insurance, accident cover, and old-age pensions, independent of the platform [15].
3. **Skill Development and Transition Pathways:** Policy should incentivize platforms to offer accredited, transferable skill development programs that facilitate worker transition into the formal economy, breaking the cycle of skill stagnation [20].

4. **Urban Employment Policy Alignment:** Gig work policy must be integrated with broader urban employment and migration policies to address the root causes of labor surplus that drive workers to the platforms in the first place [21].

10. Conclusion

The question posed by this chapter—Is Gig Work a Livelihood or a Stopgap? has a complex, yet clear, answer. For a small, high-skilled segment, it may indeed be a flexible livelihood. But for the vast majority of urban Indian workers, particularly those in transportation and delivery, it is a **survivalist livelihood**: a long-term, involuntary stopgap that provides income but offers no security, no upward mobility, and no dignity [22].

The main contribution of this chapter is the empirical confirmation of the Flexibility Trap in the Global South context, demonstrating how asset dependency and algorithmic control combine to create a state of digitally organized informality.

Limitations and Future Research: Our study is limited by the reliance on secondary data for the 300-source synthesis. Future research should focus on primary, longitudinal studies tracking the same cohort of workers over time to precisely measure the actual exit rate and the long-term health and financial outcomes of gig work [23]. The emotional toll of this precarity, often overlooked in economic studies, also warrants deeper, qualitative investigation [24].

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