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CHALLENGES OF GIG WORKERS

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Abstract

The gig economy has emerged as a significant source of employment, particularly in urban areas, offering flexible work opportunities through digital platforms. However, concerns related to income insecurity, inadequate compensation, weak bargaining power, lack of social security and poor working conditions have raised questions about the sustainability and quality of gig work. The present study examines the perceptions of gig workers regarding various challenges associated with gig employment in Hyderabad city of Telangana state. The main objective of the study is to analyse the socio-economic profile of gig workers and assess their perceptions regarding economic, institutional, occupational and social challenges in gig employment. The study is based on primary data collected from 480 gig workers engaged in ride-sharing, food and grocery delivery, e-commerce and parcel logistics and on-demand home services in Hyderabad city. The findings reveal that a majority of respondents perceive high levels of income insecurity, unfair compensation, high platform charges, weak bargaining power and inadequate regulatory protection. The study also highlights significant concerns related to long working hours, burnout, irregular schedules and non-productive waiting time, indicating high occupational stress among gig workers. On the other hand, social factors such as stigma, lack of respect from customers and social isolation are not perceived as major challenges by most respondents. The study concludes that gig work challenges are primarily structural and economic in nature, requiring stronger policy attention and institutional support to ensure worker welfare and sustainable employment conditions.

Keywords: Gig workers, Income insecurity, Platform work, Working conditions

Gig work refers to a form of employment where individuals engage in short-term, task-based, or freelance assignments facilitated primarily through digital platforms. It is characterized by flexibility in working hours, independence in task selection and a lack of traditional long-term employer–employee relationships. Gig workers are typically engaged through app-based platforms that match service providers with customers on demand. While this model offers flexibility and ease of entry into the labour market, it also departs from conventional employment structures by limiting job security, formal benefits and stable income guarantees.

At the global level, gig work has expanded rapidly with the growth of digital platforms and the widespread use of smartphones and internet connectivity. Platforms such as Uber, Lyft, DoorDash and Upwork have transformed labour markets by enabling on-demand services across transportation, food delivery, logistics and digital freelancing. Developed and developing economies alike have witnessed a rise in platform-mediated work, particularly after the COVID-19 pandemic, which accelerated the shift towards flexible and remote forms of employment. This global expansion has generated debates around worker classification, algorithmic control and the need for regulatory frameworks to ensure fair labour practices.

In the Indian context, gig work has emerged as a significant source of employment, especially in urban areas with growing demand for app-based services. Platforms such as Ola, Uber, Zomato, Swiggy and various logistics and home-service apps have created large-scale employment opportunities for youth, migrants and semi-skilled workers. India's large informal sector workforce has increasingly transitioned into gig-based roles due to limited formal job opportunities. However, this shift has also highlighted concerns related to income instability, lack of social security, weak bargaining power and limited legal protection for workers operating within platform ecosystems.



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Looking ahead, the gig economy is expected to continue expanding due to advancements in artificial intelligence, digital infrastructure and increasing consumer dependence on on-demand services. While this growth presents opportunities for flexible employment and entrepreneurial engagement, it also raises significant challenges related to worker welfare, regulatory oversight and sustainable income generation. Key challenges in gig work include income insecurity, absence of social protection, irregular working hours, algorithmic management, high platform commissions and limited career progression. These issues highlight the need for a balanced approach that supports innovation in digital labour markets while ensuring fair and dignified working conditions for gig workers.

The rapid expansion of the gig economy has transformed traditional labour markets by introducing platform-based, flexible and task-oriented forms of employment; however, this shift has also raised serious concerns regarding the economic security, working conditions and overall welfare of gig workers. Despite providing income opportunities to a large workforce, gig work is increasingly associated with issues such as income insecurity, unfair compensation, high platform charges, weak bargaining power, absence of social security, irregular working hours and limited access to grievance redressal mechanisms. These challenges indicate that gig work, while flexible, may lack essential elements of decent and secure employment.

Review of Literature

Kumar and Little Flower (2025) examined the opportunities and challenges faced by gig employees in India with the objective of suggesting constructive measures for their welfare. The study adopted a narrative literature review approach using peer-reviewed journals, government reports and newspaper articles as secondary sources. The findings revealed that gig workers are generally recruited for short-term or task-specific assignments, resulting in limited opportunities for career advancement within organizations. The study also highlighted several challenges associated with gig employment, including the absence of workplace confidentiality, lack of social security benefits such as provident fund, ESI and pension, uncertainty regarding sustainable work and income and increasing stress caused by inconsistent job availability.

Kori (2024) investigated the major issues and challenges faced by gig workers in the modern economy and analyzed their impact on worker well-being and job satisfaction through a quantitative analysis of survey data collected from gig workers. The study identified several critical challenges, including income instability, lack of employment benefits, job insecurity and limited career growth opportunities, all of which negatively influenced workers' motivation and commitment to continue in the gig economy. The findings emphasized that these issues create uncertainty and dissatisfaction among gig workers, highlighting the need for comprehensive interventions to improve their working conditions and overall well-being. The study further suggested that policymakers should introduce legislative reforms to strengthen labor rights and provide fair wages, social security and job protection for gig workers.

Nalini (2025) examined the opportunities and challenges associated with gig employment with the primary objective of identifying the factors driving the growth of gig work and their impact on gig workers' satisfaction. The study adopted both quantitative and qualitative research methodologies by collecting secondary data from government databases, industry statistics and previously published studies, while primary data were gathered through surveys and interviews conducted among workers associated with platforms such as Uber, Ola, Swiggy and Zomato. The findings revealed that gig employment offers significant flexibility by allowing workers to choose their working hours and engage in multiple jobs simultaneously, which is particularly beneficial for individuals seeking additional income or balancing responsibilities such as education and childcare.

Lauren and Christi Anandan (2024) examined the wide range of challenges and uncertainties faced by gig workers in the rapidly evolving gig economy, with a focus on issues such as income instability, lack of employment benefits and insecure working conditions. The study also explored the social and psychological dimensions of gig work, including difficulties in maintaining work-life balance, feelings of isolation and job dissatisfaction. In addition, it investigated the dual role of technology in the gig economy, noting that while digital platforms can create employment opportunities, they



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may also intensify workers' vulnerabilities. The authors emphasized the need for stronger policy interventions and organizational measures to protect gig workers' rights and improve their working conditions.

Mishra and Ghosh Dastidar (2023) examined the legal position of gig workers in India within the context of the rapidly expanding gig economy. The study highlighted that gig workers have become an important segment of the workforce; however, they continue to face significant legal and regulatory challenges related to taxation, insurance and labor laws, which directly affect their income security, job stability and social protection. The authors critically analyzed the existing legal framework and identified key gaps, particularly the classification of gig workers as independent contractors rather than employees, which excludes them from essential protections such as minimum wages, social security benefits and health insurance.

Pradosh (2025) critically examines the evolution, functioning and socio-economic implications of gig work enabled through digital platforms in India. The study highlights the rapid expansion of the gig economy, particularly in urban areas, across sectors such as ride-hailing, food delivery, freelance digital services and app-based domestic work. While gig platforms provide flexibility, autonomy and income opportunities, especially for youth and semi-skilled workers, they also raise serious concerns related to job insecurity, unfair wages, lack of social protection and weak enforcement of workers' rights.

In the Indian context, where a large proportion of the workforce is engaged in informal employment, the rise of gig platforms has further complicated labour relations by blurring the distinction between independent contracting and dependent employment. Gig workers often operate without formal contracts, legal protections or institutional support, making them vulnerable to economic fluctuations and platform-driven control mechanisms. This raises important questions regarding the adequacy of existing regulatory frameworks and the extent to which gig workers are able to access fair wages, social protection and occupational security. Although gig work has been widely discussed in policy and academic circles, there remains a lack of comprehensive empirical evidence that systematically captures the multiple dimensions of challenges faced by gig workers across different categories of work. Most existing studies tend to focus on isolated issues or specific platforms, leaving a gap in understanding the comparative experiences of workers engaged in diverse gig activities such as ride-sharing, delivery services and home-based services. Therefore, the present study seeks to examine the perceptions of gig workers regarding key economic, institutional, occupational and social challenges associated with gig employment and to analyse how these perceptions vary across different categories of gig work.

Objectives and Methodology

The objectives of the study are to examine the socio-economic profile of gig workers, to analyse their perceptions regarding income insecurity and financial stress in gig work, to assess challenges related to compensation, platform charges and bargaining power, to study institutional and regulatory issues including social security and access to credit, to evaluate working conditions such as workload, working hours, burnout and scheduling, to examine social and psychological dimensions including stigma, isolation and customer interaction, to compare perceptions across different categories of gig workers and to test the association between gig work categories and perceived challenges using appropriate statistical tools.

The present study is descriptive and analytical in nature and is designed to examine the perceptions of gig workers regarding various challenges associated with gig employment. The study is conducted in Hyderabad city of Telangana state. The selection of Hyderabad is appropriate as it represents a diverse and large concentration of gig workers operating under different platform-based services. The primary data for the study has been collected from gig workers engaged in different categories of platform work, namely ride-sharing, food and grocery delivery, e-commerce and parcel logistics and on-demand home services. The responses have been recorded using a five-point Likert scale ranging from strongly agree to strongly disagree. A total of 480 respondents have been selected for the study, with 120 respondents from each category of gig work to ensure uniform representation across groups. The sampling method adopted for the study is purposive sampling,



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as respondents were selected based on their active engagement in gig work within Hyderabad city. The collected data has been systematically classified, tabulated and analysed using statistical tools such as percentages.

Results and discussion

It is evident from Table - 1 that the distribution of respondents reflects their perception on challenges in gig work. It is found that most of the sample respondents are of the opinion that income insecurity causing financial stress is a challenge in gig work (66.40 per cent). It is clear that a majority of respondents experience uncertainty in earnings which affects their financial stability. It is further revealed that income variability is a core concern among gig workers. It is revealed from Table that most of the sample respondents are of the opinion that inadequate and unfair compensation is a challenge in gig work (77.80 per cent). It is clear that a high level of dissatisfaction exists regarding earnings received for work performed. It is further revealed that compensation structures are perceived as disproportionate to worker effort. It is found from Table that most of the sample respondents are of the opinion that platform charges are a challenge in gig work (84.40 per cent). It is clear that platform deductions significantly reduce net earnings of workers. It is further revealed that commission structures imposed by platforms are a major concern among gig workers.

It is observed from Table that most of the sample respondents are of the opinion that informal status limiting access to institutional credit is a challenge in gig work (88.40 per cent). It is clear that lack of formal employment status restricts financial inclusion of gig workers. It is further revealed that institutional credit access remains limited due to informal work classification. It is obvious from Table that a considerable proportion of the sample respondents are of the opinion that lack of access to social security benefits is a challenge in gig work (56.70 per cent). It is clear that respondents are divided in their opinion, however a significant share acknowledges the absence of adequate welfare protection. It is further revealed that social security coverage remains inconsistent and insufficient for gig workers. It is apparent from Table that the majority of the sample respondents are of the opinion that lack of bargaining power is a challenge in gig work (83.50 per cent). It is clear that workers experience limited negotiation power in platform-based employment. It is further revealed that algorithm-driven work allocation weakens collective representation. It is portrayed from Table that a considerable proportion of the sample respondents are of the opinion that absence of a fixed employer is a challenge in gig work (45.40 per cent). It is clear that responses are relatively mixed, indicating variation in worker experiences. It is further revealed that lack of formal employment relationship limits structured support systems.

It is evident from Table that most of the sample respondents are of the opinion that lack of access to training and career development opportunities is a challenge in gig work (91.20 per cent). It is clear that there is a strong consensus among respondents regarding the absence of structured skill development opportunities. It is further revealed that limited institutional support restricts long-term career advancement in gig employment. It is clear from Table that most of the sample respondents are of the opinion that lack of job security discourages gig work as a long-term career (85.80 per cent). It is clear that respondents perceive gig employment as unstable and uncertain in nature. It is further revealed that absence of job continuity reduces long-term career preference in platform work.

It is noted from Table that most of the sample respondents are of the opinion that managing irregular work schedules is a challenge in gig work (69.40 per cent). It is clear that fluctuating work timings create operational difficulties for workers. It is further revealed that irregular scheduling contributes to occupational stress and work-life imbalance. It is clear from Table that most of the sample respondents are of the opinion that spending non-productive time waiting for the next assignment is a challenge in gig work (67.30 per cent). It is clear that uncertainty in task allocation leads to idle time during working hours. It is further revealed that such waiting periods reduce effective earning potential of workers. It is evident from Table that most of the sample respondents are of the opinion that social stigma is not a major challenge in gig work, as a large proportion disagrees with this statement (94.60 per cent disagree and strongly disagree combined). It is clear that gig work is increasingly socially accepted among respondents. It is further revealed that negative social perception towards gig work is minimal in the study area.



It is apparent from Table that most of the sample respondents are of the opinion that lack of respect from customers is not a major challenge in gig work (74.40 per cent disagree). It is clear that majority of respondents do not perceive customer behaviour as a serious issue. It is further revealed that interpersonal interactions with customers are largely satisfactory in platform-based work. It is found from Table that responses are divided, however a considerable proportion of respondents do not consider social isolation as a major challenge. It is clear that 57.20 per cent of respondents fall under disagree and strongly disagree categories. It is further revealed that independent work structure does not significantly contribute to perceived social isolation among many gig workers. It is noticed from Table that most of the sample respondents are of the opinion that adverse health effects of long working hours is a challenge in gig work (87.50 per cent). It is clear that respondents experience significant physical strain due to extended working hours. It is further revealed that occupational health concerns are highly prevalent among gig workers.

It is deduced from Table that most of the sample respondents are of the opinion that burnout due to the demands of gig work is a challenge in gig work (83.60 per cent). It is clear that continuous work pressure contributes to emotional and physical exhaustion. It is further revealed that burnout is a significant occupational concern among gig workers. It is found that most of the sample respondents are of the opinion that inadequate regulatory frameworks to safeguard the rights and welfare of gig workers is a challenge in gig work (76.20 per cent). It is clear that respondents perceive insufficient legal protection governing platform-based employment. It is further revealed that stronger regulatory intervention is required to ensure worker welfare and rights protection. It is found that most of the sample respondents are of the opinion that limited access to effective mechanisms for resolving work-related disputes is a challenge in gig work (94.80 per cent).

Table - 1
Perception of the sample respondents on challenges of gig work

Challenge	Opinion of the respondents					Total
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
Income insecurity causing financial stress as a challenge in gig work	122 (25.40)	197 (41.00)	161 (33.50)	-	-	480 (100.00)
Inadequate and unfair compensation as a challenge in gig work	235 (49.00)	138 (28.80)	1 (0.20)	79 (16.50)	27 (5.60)	480 (100.00)
Platform charges as a challenge in gig work	164 (34.20)	241 (50.20)	20 (4.20)	55 (11.50)	-	480 (100.00)
Informal status limiting access to institutional credit as a challenge in gig work	284 (59.20)	140 (29.20)	20 (4.20)	36 (7.50)	-	480 (100.00)
Lack of access to social security benefits as a challenge in gig work	177 (36.90)	95 (19.80)	90 (18.80)	32 (6.70)	86 (17.90)	480 (100.00)
Lack of bargaining power as a challenge in gig work	281 (58.50)	120 (25.00)	32 (6.70)	2 (0.40)	45 (9.40)	480 (100.00)
Absence of fixed employer affecting structured support as a challenge in gig work	99 (20.60)	119 (24.80)	125 (26.00)	52 (10.80)	85 (17.70)	480 (100.00)



Challenge	Opinion of the respondents					Total
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
Lack of access to training and career development opportunities as a challenge in gig work	221 (46.00)	217 (45.20)	1 (0.20)	21 (4.40)	20 (4.20)	480 (100.00)
Lack of job security discouraging long-term career in gig work	348 (72.50)	64 (13.30)	57 (11.90)	9 (1.90)	2 (0.40)	480 (100.00)
Managing irregular work schedules as a challenge in gig work	165 (34.40)	168 (35.00)	97 (20.20)	5 (1.00)	45 (9.40)	480 (100.00)
Spending non-productive time waiting for gigs as a challenge in gig work	323 (67.30)	92 (19.20)	31 (6.50)	23 (4.80)	11 (2.30)	480 (100.00)
Social stigma associated with gig work as a challenge in gig work	4 (0.80)	-	22 (4.60)	243 (50.60)	211 (44.00)	480 (100.00)
Lack of respect from customers as a challenge in gig work	36 (7.50)	82 (17.10)	5 (1.00)	357 (74.40)	-	480 (100.00)
Social isolation arising from independent nature of gig work as a challenge in gig work	39 (8.10)	32 (6.70)	134 (27.90)	149 (31.00)	126 (26.20)	480 (100.00)
Adverse health effects of long working hours as a challenge in gig work	420 (87.50)	57 (11.90)	1 (0.20)	2 (0.40)	-	480 (100.00)
Burnout due to demands of gig work as a challenge in gig work	238 (49.60)	163 (34.00)	6 (1.20)	36 (7.50)	37 (7.70)	480 (100.00)
Inadequate regulatory frameworks to safeguard the rights and welfare of gig workers as a challenge in gig work	113 (23.50)	253 (52.70)	66 (13.80)	31 (6.50)	17 (3.50)	480 (100.00)
Limited access to effective mechanisms for resolving work-related disputes as a challenge in gig work	201 (41.90)	254 (52.90)	8 (1.70)	17 (3.50)	-	480 (100.00)

Source: Computed from the Primary Data.



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Conclusion

The present study examined the perceptions of gig workers regarding various economic, institutional, occupational and social challenges associated with gig employment in Hyderabad city. The findings clearly indicate that gig work is predominantly characterised by economic insecurity, unstable earnings and limited control over work conditions. A majority of respondents reported income insecurity, unfair compensation, high platform charges and weak bargaining power, which together highlight the structural vulnerability embedded in platform-based employment. The study further establishes that institutional support systems for gig workers are inadequate. A significant proportion of respondents expressed concern over limited access to social security benefits, absence of effective regulatory frameworks and restricted access to institutional credit. In addition, the lack of efficient grievance redressal mechanisms emerged as a major concern, indicating gaps in governance and worker protection within the gig economy framework.

In terms of working conditions, the findings reveal that gig workers experience high levels of occupational strain. Issues such as long working hours, burnout, irregular work schedules and significant non-productive waiting time between assignments were widely reported. These factors collectively contribute to physical fatigue and psychological stress, reinforcing the demanding nature of gig work despite its flexible structure. However, the study also shows that social dimensions such as stigma, lack of respect from customers and social isolation are not perceived as major challenges by most respondents. This indicates that the core issues in gig work are largely structural and economic rather than social in nature. Overall, the study concludes that while gig work provides employment opportunities, it is accompanied by significant challenges related to income stability, institutional protection and working conditions, which require greater attention in policy and academic discourse.

Based on the findings of the study, it is suggested that there is a need to strengthen the regulatory framework governing gig work to ensure clear recognition of gig workers and to provide minimum standards of protection related to wages, working conditions and job security. Platform companies should be encouraged to adopt fair and transparent compensation structures, reduce excessive platform charges and ensure more balanced algorithmic task allocation to minimise income instability. There is also a need to expand social security coverage to gig workers, including access to health insurance, accident coverage and retirement benefits through suitable policy interventions. In addition, mechanisms for effective grievance redressal should be strengthened at the platform level to ensure timely resolution of worker disputes. Skill development and training opportunities may also be promoted to improve long-term employability and career progression of gig workers.

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