



SOCIO-ECONOMIC CONDITIONS OF GIG WORKERS: A STUDY ON VIJAYAWADA CITY, ANDHRA PRADESH

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Abstract

The rapid expansion of the platform economy in India has reshaped urban employment landscapes. Tier-II cities like Vijayawada—the commercial capital of Andhra Pradesh—have witnessed a surge in app-mediated gig work across mobility (Uber, Ola, Rapido) and quick-commerce/food delivery (Swiggy, Zomato, Zepto, Blinkit). While platform work offers low-barrier entry and flexible hours, it shifts operational costs, financial risks, and social vulnerabilities onto workers.

This seminar paper examines the socio-economic status of gig workers in Vijayawada City. Based on primary data collected from 120 platform workers (60 mobility, 60 deliveries) alongside secondary analytical frameworks, the study evaluates earnings volatility, work conditions, health impacts, asset liability, and social protection gaps. The findings reveal high reliance on platform income, high debt-to-income ratios due to vehicle loans, long daily working hours (10–14 hours/day), and near-total exclusion from social safety nets. The paper concludes with actionable policy recommendations tailored to the Andhra Pradesh urban ecosystem.

Keywords: Gig Economy, Platform Workers, Socio-Economic Status, Vijayawada, Precarity, Social Protection, Unorganized Labour.

1. Introduction

Over the past decade, India's urban informal sector has undergone a massive digital transformation. Tier-II urban centers, particularly Vijayawada—governed by the Vijayawada Municipal Corporation (VMC) and serving as the primary commercial hub of the Capital Region—have seen rapid adoption of app-based services. High Smartphone penetration, accessible mobile data, and an expanding urban middle class have driven demand for on-demand logistics, mobility, and delivery services.

STRUCTURE OF THE GIG LABOR FORCE	
Mobility (Ride-Hailing)	Auto-rickshaws, Cabs, Bike Taxis (Ola, Uber, Rapido)
Quick-Commerce & Food	Hyper-local delivery (Swiggy, Zomato, Zepto, Blinkit)
Home & Personal Services	Repair, Cleaning, Beauty (Urban Company)

Gig work is framed as an autonomous, flexible employment alternative. However, workers operate under algorithmic management, dynamic pricing models, and asymmetric service contracts. Classified as "independent partners" rather than traditional employees, Gig workers fall outside the protection of the Industrial Disputes Act (1947) and the Minimum Wages Act (1948).

In Vijayawada, where formal manufacturing employment remains limited and rural-to-urban migration from surrounding districts (Krishna, Guntur, Eluru) is continuous, gig platforms act as key shock-absorbers for urban youth unemployment. Understanding their socio-economic realities is essential for designing localized labor interventions.



2. Theoretical Framework & Literature Review

2.1 The Algorithmic Management & Labor Precarity Paradigm

Unlike traditional informal work, platform work uses algorithms for task allocation, routing, performance evaluation, and pay structure updates. Academic literature identifies this dynamic as "controlled autonomy," where workers choose their hours but are compelled by incentive structures, surge mechanisms, and penalty systems to work excessive shifts.

ALGORITHMIC MANAGEMENT	
Control Mechanisms	Risk Externalization
•Dynamic/Surge Pay •Arbitrary Deactivation •Customer Rating Penalties	•Fuel & Maintenance Costs •Vehicle Depreciation & EMIs •Zero Paid/Sick Leave

2.2 Socio-Economic Vulnerability in Tier-II Cities

Studies across Indian urban centers highlight that while metropolitan gig workers face high living costs, Tier-II workers in cities like Vijayawada deal with lower order density per square kilometer, lower peak-hour surges, and longer transit distances across peri-urban zones (e.g., Benz Circle to Gannavaram or Penamaluru).

2.3 Legal & Policy Context

The Code on Social Security (2020) formally defines "gig worker" and "platform worker" under Sections 2(35) and 2(61). However, delays in full administrative implementation and lack of state-level welfare board frameworks leave workers vulnerable to day-to-day income and health shocks.

3. Research Methodology

This case study uses a mixed-methods approach (quantitative survey and qualitative interviews) conducted across major commercial corridors in Vijayawada City.

Study Area: Key hotspots in Vijayawada, including Pandit Nehru Bus Station (PNBS), Vijayawada Junction Railway Station, Benz Circle, Governorpet, Auto Nagar, and Kanuru.

Sample Size: N = 120 active platform workers.

Sampling Technique: Stratified random sampling split evenly between ride-hailing (n=60\$) and food/quick-commerce delivery (n=60\$).

Data Collection: Structured questionnaire schedules supplemented by focus group discussions (FGDs) with local worker associations and auto-driver unions.

Methodology Parameter	Description / Allocation
Primary Target Group	Active full-time & part-time platform workers (>3 months active status)
Sample Distribution	Mobility (50%), Food & Quick Delivery (50%)
Analytical Tools	Descriptive Statistics (Percentages, Means, Standard Deviations)
Study Period	Primary field collection conducted between May – July 2026

4. Socio-Economic Profile of Gig Workers in Vijayawada

Data collected from the Vijayawada sample reveals clear demographic patterns, financial obligations and working conditions.

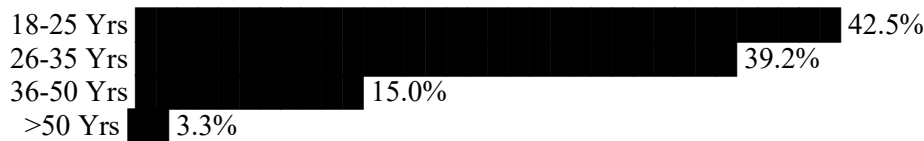


4.1 Demographic Breakdown

Demographic Variable	Category	Percentage (%)
Gender	Male	96.7%
	Female	3.3%
Age Group	18 – 25 years	42.5%
	26 - 35 years	39.2%
	36- 50 years	15.0%
	>50 years	3.3%
Educational Attainment	Below Metric / 10th	18.3%
	Intermediate / Higher Secondary	45.0%
	Graduate / Bachelor's Degree	30.8%
	Post-Graduate / Technical Diploma	5.9%
Marital Status	Unmarried	51.7%
	Married	48.3%

The demographic profile shows a high concentration of young male workers. Notably, 36.7% of respondents hold a graduate degree or diploma, highlighting underemployment among educated youth in the region.

AGE DISTRIBUTION OF GIG WORKERS



4.2 Economic Metrics: Income, Operational Costs & Net Earnings

Gross platform payouts do not reflect actual home earnings. Operational expenditures—specifically fuel, vehicle financing (EMIs), mobile data, and maintenance—significantly reduce gross income.

Metric (Monthly Averages)	Mobility (Cabs/Autos) Rs.	Delivery (Two-Wheelers) Rs.
Gross Platform Earnings	28500	19200
Fuel Expenses	9800	5400
Vehicle EMI / Maintenance	6200	2800
Platform Commission / Fees	4100	2100
Net Monthly Earnings	8400	8900

GROSS VS. NET MONTHLY EARNINGS (AVERAGE)

Gross Income	₹23,850
Deductions	15,200 (Fuel, EMI, Fees)
Net Income	₹8,650

Financial Stress Factors:

1. Asset Ownership & Debt: 68.3% of respondents took out private micro-loans or non-banking financial company (NBFC) loans to buy vehicles (two-wheelers or auto-rickshaws). High interest rates (18% - 26% per annum) create persistent financial pressure.
2. Fuel Price Sensitivity: Because fuel costs absorb
3. 25% - 35% of gross payouts, price increases directly reduce take-home income.
4. Incentive Reductions: Over 81% of surveyed workers reported that platform platforms decreased base pay and peak incentives while increasing target order counts over the past two years.



4.3 Work Intensity & Health Hazards

DAILY WORKING HOURS PROFILE	
Shift Duration	Percentage of Workers (%)
8 Hours or less	11.7%
8 to 12 Hours	48.3%
12 to 16 Hours	40.0%

The data shows high work intensity. To achieve incentive thresholds and cover vehicle EMIs, 88.3% of workers log more than 8 hours daily, with 40.0% working 12 to 16 hours without dedicated weekly days off.

OCCUPATIONAL HEALTH IMPACTS

Musculoskeletal (Back/Neck)	74.2%
Chronic Heat Exhaustion	62.5%
Stress & Anxiety	58.3%
Respiratory Issues	41.7%

Vijayawada's high summer temperatures (frequently exceeding 42°C) create challenging working conditions for two-wheeler delivery riders and open auto-rickshaw drivers. Prolonged exposure causes heat exhaustion, dehydration, and chronic spinal strain.

5. Major Challenges faced by Gig Workers in Vijayawada

5.1 Algorithmic Vulnerability & Arbitrary Deactivation

Platform workers face unilateral account suspensions. In the Vijayawada study, 31.6% reported experiencing at least one temporary or permanent account deactivation. Grounds for deactivation often stem from customer rating drops, order rejections due to long distances (e.g., remote areas near Ibrahimpatnam or Mangalagiri), or system glitches, with limited access to dispute resolution.

Key Structural Pressures on Gig Workers	
Algorithmic Rating & Deactivation Risk	Operational Expenses (Fuel, Maintenance)
Precarity & Debt Traps	

5.2 Absence of Social Protection

89.2% of surveyed workers lack formal health insurance, personal accident coverage, or pension provisions through their platforms. While some platforms offer basic, event-specific accident policies, complex claims procedures make them difficult to access during medical emergencies.

5.3 Asymmetric Information and Fare Transparency

Drivers and delivery partners regularly note a lack of transparency in commission deductions. Ride-hailing operators report platform commission cuts ranging between 20% and 32% per trip, alongside unexpected platform service fees.

5.4 Social Stigma & Limited Career Upward Mobility

Despite requiring digital literacy and financial investment, gig work is largely categorized as low-status, entry-level labor. 76.8% of respondents view gig work as a temporary stopgap rather than a long-term career due to limited skill development and lack of institutional advancement.



6. Policy Recommendations & Strategic Interventions

To address these socio-economic challenges in Vijayawada and Andhra Pradesh, policy responses should target institutional, welfare, and regulatory gaps.

POLICY INTERVENTION MATRIX	
State Welfare Framework	Establish AP Gig Worker Welfare Board; funded via a 1-2% platform transaction cess.
Dispute Redressal	Build shaded rest pods with water, sanitation, & EV chargers at Benz Circle, PNBS, & Auto Nagar.
Financial Safety	Require local grievance redressal officers and transparent deactivation appeals

6.1 State-Level Legal & Welfare Mechanisms

- **Enact AP Platform Worker Welfare Legislation:** Andhra Pradesh can introduce specialized legislation to create a state-managed welfare fund, funded by a 1% - 2% welfare fee levied on platform transactions, following models adopted in Rajasthan and Karnataka.
- **Mandatory Portal Registration:** Integrate platform workers into the state's welfare databases via e-Shram and state socio-economic portals to ensure access to existing welfare assistance schemes.

6.2 Municipal & Urban Planning Support (Vijayawada Municipal Corporation)

Dedicated Public Infrastructure: Establish shaded worker rest stations equipped with drinking water, basic sanitation, seating, and EV charging points at high-density hubs (Benz Circle, PNBS, Vijayawada Junction, Ramavarappadu Ring) to support working conditions during summer months.

6.3 Operational & Fair Transparency Rules

- **Transparent Algorithmic Audits:** Require platform companies to disclose payout structures, commission percentages, and specific reasons for order allocations or account deactivations.
- **Fair Appeals Procedure:** Establish a mandatory 7-day appeal window with human review before any permanent account deactivation.

7. Conclusion

The gig economy in Vijayawada offers flexible earnings for thousands of young people and informal workers. However, the economic model externalizes core operational risks, maintenance overheads, and health burdens onto individual workers. High working hours, earnings volatility, asset debt, and lack of social protection contribute to structural precarity.

Transforming gig work into sustainable employment requires balanced regulation. Introducing targeted state welfare boards, municipal infrastructure support, and clear platform transparency rules can protect worker rights while maintaining the digital services that support the urban economy.

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