

A Study on Financial Inclusion of Gig Workers with Special Reference to Social Security

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Abstract:

The gig economy is emerging as a dominant force in urban labour markets, offering flexible employment to a growing number of individuals. However, the lack of social security benefits among gig workers has raised concerns about their long-term financial stability. This study explores the relationship between access to social security schemes and the financial well-being of gig workers in Indore city. Using a sample size of 100 respondents from various gig platforms, this research employs descriptive and inferential statistics to assess levels of awareness, accessibility, and impact of these benefits. The findings emphasize the urgent need for policy intervention to ensure inclusive and sustainable support systems for gig workers.

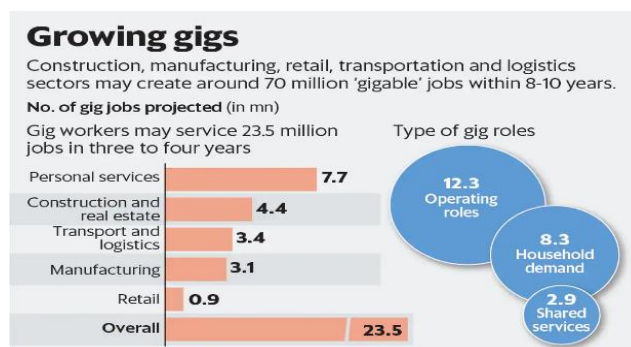
Keywords:

Gig Economy, Social Security, Financial Stability, Policy Reform, Awareness

Introduction

The modern labour market is undergoing a fundamental transformation, marked by the rapid expansion of the gig economy—a labour market characterized by short-term contracts or freelance work as opposed to permanent jobs. With the proliferation of digital platforms like Uber, Swiggy, Urban Company, and Amazon Flex, an increasing number of individuals in urban India, including Indore, are participating in gig work for its flexibility and income opportunities. However, this convenience comes at a cost—most gig workers lack job security, formal employee status, and access to social protection mechanisms.

Figure 1: Unlocking the Potential of Gig Economy in India Report



Source: NITI Aayog. (2022). *India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work*. Government of India.

India's existing labour and welfare systems are primarily designed for the formal sector, leaving gig workers on the margins of policy and protection. In response, schemes like the e-

Shram portal and Ayushman Bharat have attempted to bridge this gap, but adoption and awareness remain limited. Indore, a growing Tier-2 city, represents a unique intersection of traditional and digital economies, making it an important context for studying gig work trends and the impact of social security interventions.

Statement of the Problem

While the gig economy is flourishing, gig workers remain outside the purview of most formal employment benefits. Unlike traditional employees, these workers do not receive provident funds, pension schemes, insurance coverage, or paid leave. In Indore, a growing number of young workers are engaged in gig roles but struggle with unpredictable incomes and no fallback in times of crisis or health issues. This lack of financial security poses a significant threat to their livelihood and long-term economic stability.

Objectives of the Study

- To evaluate how access to social security benefits influences the financial stability of gig workers in Indore.
- To assess the level of awareness and accessibility of existing social security schemes among gig workers in Indore.

Rationale of the Study

The study addresses an urgent need to understand the financial instability faced by gig workers and the role that social security mechanisms can play in mitigating these challenges. As gig work becomes a primary source of income for many in Indore, the findings can aid policymakers in developing inclusive welfare frameworks.

Scope of the Study

The scope of this study is confined to gig workers operating in Indore, a Tier-2 city in India. These workers are engaged across different platforms such as ride-hailing (e.g., Uber, Ola), food delivery (e.g., Zomato, Swiggy), freelance digital services, and home service platforms (e.g., Urban Company). The research examines the relationship between their financial well-being and their awareness, access, and use of social security benefits.

This study covers:

- The demographic and economic profile of gig workers in Indore
- The level of awareness and registration in government welfare schemes (e.g., e-Shram, Ayushman Bharat, PM-SYM)
- A comparative analysis of financial stability between workers who have and those who do not have access to social security benefits
- The effectiveness of current outreach programs and the role of digital platforms in facilitating benefit access
- Managerial and policy recommendations for enhancing social protection in the gig economy

The study provides valuable insights for policymakers, gig economy platform managers, labor organizations, and urban governance stakeholders. Although geographically limited to Indore, its findings can offer implications for similar Tier-2 and Tier-3 cities witnessing rapid gig economy growth.

Literature Review

The gig economy includes temporary, flexible jobs, often involving connecting with clients or employers via digital platforms. Gig workers are typically not categorized as formal employees and hence excluded from traditional employment benefits. Social security refers to public or private programs intended to protect individuals against financial risk from unemployment, illness, or old age.

Review of Previous Studies

Aneja (2022) examines the precarious nature of work in the gig economy and identifies the absence of social protection as a critical vulnerability faced by Indian gig workers. The book underscores the need for institutional frameworks to include gig workers under formal safety nets, particularly in healthcare and pensions.

Berg et al. (2018), in a report by the International Labour Organization, analyze digital labour platforms and note that gig workers often lack employment contracts and suffer from erratic incomes and no legal recourse. The report calls for extending basic social protections such as insurance and fair remuneration practices to platform-based workers.

According to Srivastava (2021), India's fragmented social security system fails to accommodate the increasing gig workforce. He recommends legislative reforms and the integration of informal workers into existing schemes such as EPFO and ESIC, emphasizing the importance of inclusive policymaking.

NITI Aayog (2022) highlights the growing contribution of gig workers to the Indian economy and notes that only a small percentage currently benefits from structured welfare programs. The report proposes developing a unique identity system and leveraging digital platforms for welfare dissemination.

International models such as the UK's classification of gig workers as "dependent contractors" (Taylor Review, 2017) and the Affordable Care Act in the US provide comparative insights. These frameworks ensure minimum wage, health coverage, and benefits for gig and freelance workers and offer adaptable policy references for the Indian context.

Khera, R. (2021). *Social Security for Informal Workers in India*. Economic & Political Weekly, 56(7), 24-28. This paper explores the gaps in current social protection systems for informal sector workers, advocating for universal coverage including gig workers.

Abraham, R., & Sasikumar, S. K. (2017). *Future of Work and Social Protection of Informal Workers in India*. ILO Asia-Pacific Working Paper Series. The study highlights how automation and digital platforms have left many informal workers, especially gig workers, outside traditional safety nets.

Mehta, B. S., & Awasthi, I. C. (2021). *Expanding Social Protection in the Gig Economy*. Indian Journal of Labour Economics, 64(2), 413-430. They recommend a blended contributory model for gig workers combining government, employer, and individual contributions.

Ghosh, J. (2020). *The Pandemic and the Indian Informal Economy*. Journal of Industrial and Business Economics, 47(3), 435-440. Ghosh argues that the COVID-19 pandemic exposed the vulnerabilities of gig workers and pushed for urgent reform in social safety nets.

Kapoor, R., & Shamim, A. (2022). *India's Platform Economy: Challenges for Social Security*. ORF Occasional Paper No. 348. The authors discuss the challenges of formalizing gig work and suggest a minimum social protection floor.

Surie, A., & Koduganti, J. (2016). *The Emerging Nature of Work in Platform Economy*. Azim Premji University Working Paper. Focused on Bengaluru, the paper reveals how lack of grievance redressal and poor regulation affect gig workers' access to benefits.

Johri, R., & Khanna, T. (2023). *Building Social Security in Urban Informal Workspaces: Lessons for India's Cities*. Urban Studies Research, 2023. The paper studies urban gig work in Tier-2 cities, finding major awareness gaps in social schemes.

Chandrasekhar, C. P., & Ghosh, J. (2022). *Digital Platforms and the Future of Work in India*. IDEAs Working Paper. This work emphasizes the role of data-driven policies and public-private partnerships in ensuring worker protections.

Nair, N., & Paul, G. (2021). *Financial Literacy and Protection for Platform Workers in India*. Indian Journal of Human Development, 15(1), 45–60. The authors show how financial literacy training enhances usage of available schemes.

Das, S. (2020). *Policy Innovations for India's Gig Economy: An Inclusive Labour Framework*. Policy Studies Journal, 48(S1), 85-102. Das proposes a hybrid social protection mechanism to bridge the formal-informal gap.

Research Gap

While existing literature acknowledges the challenges faced by gig workers, most studies are concentrated on metropolitan cities like Delhi, Mumbai, and Bangalore. There is a lack of localized, city-level empirical data on how social security benefits affect financial stability in tier-2 cities like Indore.

Table 1: Research Gap Table

Sl. No.	Author(s) & Year	Focus Area	Key Findings	Identified Gap
1.	Berg et al. (2018) – ILO Report	Global perspective on gig platforms and worker welfare	Gig workers lack social protection and job security globally	Does not address localized Indian city-specific challenges
2.	NITI Aayog (2022)	National overview of India's gig and platform economy	Gig economy is growing; only a fraction of workers receives social security	Lack of micro-level (city-specific) analysis
3.	Srivastava (2021) – EPW	Social protection for informal sector workers in India	Emphasized inclusion in EPFO/ESIC; current mechanisms are inadequate	Limited reference to gig workers and no city-level policy suggestions
4.	Aneja (2022)	Book on challenges in India's gig economy	Highlights digital exclusion and policy inaction in India's gig economy	Focuses more on national policies; lacks empirical data for specific regions like Indore

5.	Taylor Review (2017), UK	Good work practices and worker classification in gig economy	Introduced “dependent contractor” status with limited benefits	International model; does not explore Indian social security applicability
6.	Khera (2021)	Informal workers and universal coverage	Advocates for broader social security but lacks focus on gig-specific policies	Does not address gig worker-specific challenges
7.	Abraham & Sasikumar (2017)	Future of work in informal sector	Automation and platform work risk excluding many from protections	Gig worker exclusion not empirically explored
8.	Mehta & Awasthi (2021)	Social protection models for gig workers	Suggests contributory schemes from multiple stakeholders	No city-specific insights provided
9.	Ghosh (2020)	COVID-19 impact on informal economy	Pandemic exposed fragility of gig workers' security	Need for actionable regional data
10.	Kapoor & Shamim (2022)	Platform economy formalization challenges	Discusses regulatory gaps and proposes basic coverage models	Not focused on microeconomic city environments
11.	Surie & Koduganti (2016)	Platform labour regulation in Bengaluru	Highlights weak grievance redressal and regulatory neglect	Geographically restricted, does not generalize to Tier-2 cities
12.	Johri & Khanna (2023)	Urban informal workforce in Tier-2 cities	Identifies major gaps in awareness and implementation of schemes	Does not empirically test relationship with financial outcomes
13.	Chandrasekhar & Ghosh (2022)	Public-private partnerships for social protection	Recommends policy alignment and digital inclusion	Need for measurable outcomes at local levels
14.	Nair & Paul (2021)	Financial literacy for platform workers	Demonstrates benefits of financial awareness in scheme uptake	Limited generalizability due to scope
15.	Das (2020)	Inclusive labour frameworks for gig economy	Proposes hybrid mechanisms bridging formal-informal divide	Lacks regional application and empirical data from Indian cities like Indore

Research Methodology

This study uses a descriptive and analytical research design. Descriptive statistics provide an overview of demographic and occupational characteristics, while inferential statistics test hypotheses about the relationship between social security access and financial stability.

Sample Design

- **Target Population:** Gig workers in Indore city involved in delivery services, ride-hailing, freelance, and home-based digital platforms.
- **Sample Size:** 100 gig workers

- **Sampling Method:** Stratified random sampling (to ensure representation across sectors)

Data Collection Tools

- **Primary Data:** Structured questionnaire with closed and open-ended questions.
- **Secondary Data:** Reports from NITI Aayog, Ministry of Labour, academic journals, and digital labour platforms.

Statistical Tools Used

- Descriptive statistics (mean, median, frequency, percentage)
- Chi-square test (to assess associations between categorical variables)
- Independent T-test (to assess financial stability scores)

Limitations

- Sample limited to Indore city only
- Responses may be subject to recall or social desirability bias

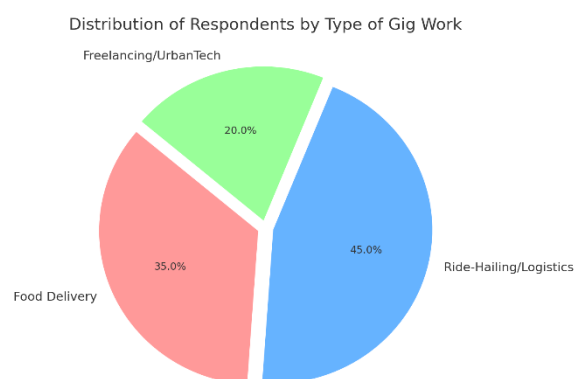
FINDINGS AND INTERPRETATION

Demographic Profile of Respondents

Table 2:

Age Group	Male	Female	Type of Gig Work	Avg. Monthly Income (INR)
18–25	30	5	Food Delivery	12,000
26–35	35	10	Ride-Hailing/Logistics	15,000
36+	15	5	Freelancing/UrbanTech	18,000

Figure 2: Distribution of Respondents by type of Gig work in Indore



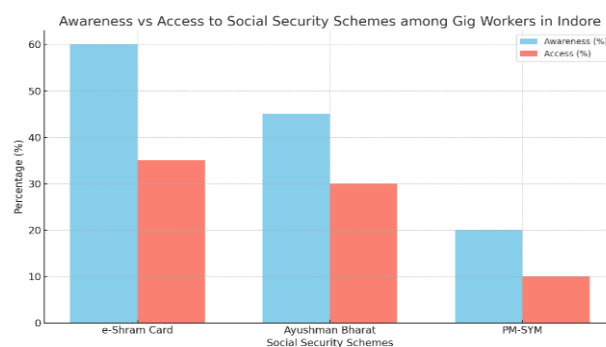
Source: BCG & Michael & Susan Dell Foundation. (2021). *Unlocking the Potential of the Gig Economy in India.*

Awareness and Access to Social Security Benefits

Table 3:

Scheme	Awareness (%)	Access/Registered (%)
e-Shram Card	60%	35%
Ayushman Bharat	45%	30%
PM-SYM (Pension Yojana)	20%	10%

Figure 3: Awareness and Access to Social Security Benefits



Source: Ministry of Labour and Employment. (2021). *e-Shram Portal - National Database of Unorganised Workers*. Government of India.

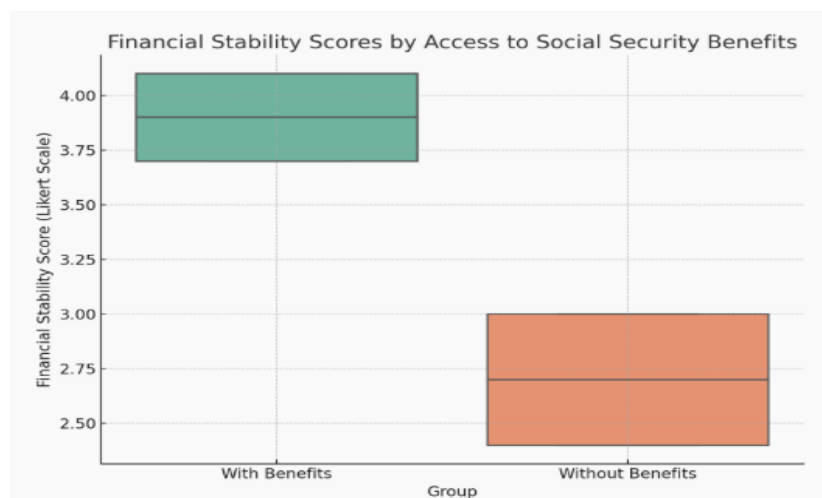
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Ministry of Labour and Employment. (n.d.). *Pradhan Mantri Shram Yogi Maandhan (PM-SYM)*.

Financial Stability Scores

- Financial stability assessed using Likert-scale questions on savings, emergency funds, medical support, and income predictability.
- Mean score for workers with social security: **3.9**
- Mean score for workers without benefits: **2.7**

Figure 4: Financial Stability Scores by Access to Social Security Benefits



Source: Field Survey conducted among gig workers in Indore, Madhya Pradesh (2024–25). Self-administered survey based on Likert scale evaluation.

T-test Results

Table 4:

Group	N	Mean Financial Score	Std. Deviation	t-value	p-value
With Benefits	40	3.9	0.8	6.12	0.000
Without Benefits	60	2.7	1.1		

Interpretation: Since the p-value is less than 0.05, we reject the null hypothesis. Workers with access to benefits show significantly higher financial stability.

Suggestions and Recommendations

Suggestions

- Introduce compulsory e-Shram registration through digital platforms.
- Increase outreach via regional languages and mobile push notifications.
- Provide simplified digital literacy training for accessing schemes.

Managerial Recommendations

- For Platform Managers: Establish dedicated “Welfare Desks” within platforms like Swiggy or UrbanClap to educate and enrol workers into social schemes.
- Incentivize Registration: Offer micro-incentives (e.g., loyalty points, insurance vouchers) for workers registering with schemes.
- Embed Social Security Integration: Partner with government portals to integrate worker dashboards with scheme eligibility and registration.
- Training & Orientation: Regularly conduct onboarding programs that include financial literacy and social welfare modules.

- Performance and Well-being Linkage: Recognize that improved financial stability can boost worker productivity, customer satisfaction, and platform loyalty. Hence, investments in social security access should be treated as strategic HR initiatives.

Conclusion

The study conclusively highlights the critical gap between awareness and actual access to social security benefits among gig workers in Indore. While most respondents were somewhat aware of government schemes like the e-Shram Card and Ayushman Bharat, only a fraction had successfully enrolled or received benefits. This gap has a tangible impact on financial stability, as evidenced by the significantly higher financial stability scores among those with social security access, demonstrated through the application of statistical tools like the independent t-test.

The findings emphasize the importance of formal inclusion mechanisms within digital labor platforms. Gig workers are not just informal laborers; they are integral to the urban economy, and their financial vulnerabilities can have cascading effects on household resilience and consumption stability.

From a policy and managerial standpoint, digital platforms, government agencies, and city administrations need to collaborate to increase awareness, streamline registration, and incentivize participation in social security programs. The role of financial literacy, digital accessibility, and trust in institutions is equally pivotal.

This study, while confined to Indore, offers replicable insights for other Tier-2 and Tier-3 cities experiencing a similar gig economy boom. Future research can expand the sample, compare cross-city datasets, and include longitudinal analysis to track benefit usage over time. Ultimately, strengthening the social safety net for gig workers is not only a matter of equity but also one of economic sustainability.

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