



# GIG ECONOMY AND LABOUR MARKET: AN ANALYSIS OF KERALA

Dr Shabeer KP

Associate Professor and Head, Research Dept of Economics, Govt Arts and Science College Calicut, Kerala,  
India

## Abstract

This study examines the nature, profile, and challenges of the gig economy in Kerala, where flexible and platform-based employment has expanded rapidly due to technological advancements and changing work preferences. The study primarily focuses on analysing the socio-economic and demographic profile of gig workers and identifying the major problems faced by them. The findings reveal that the majority of gig workers are young, educated, and male, with a significant proportion belonging to the OBC category. Most respondents hold undergraduate or postgraduate qualifications, indicating the growing participation of educated youth in gig employment. The major challenges identified include low wages, job insecurity, long working hours, and lack of social security benefits.

*Key Words: Gig economy, digital labour platform, freelance work, e commerce*

## The Context

The gig economy characterized by flexible, temporary and freelance work arrangement has emerged as a significant force reshaping labor market globally. The gig economy presents both opportunities and challenges on one hand, its offers alternative income source and employment flexibility on the other hand it raises concerns about job security, fair wages, social protection and erosion of traditional labor right. The gig economy in Kerala has been growing rapidly driven by advancements in technology and changing work preference. It encompasses a range of flexible, freelancing and short-term contractual jobs, often facilitated by digital platform like ride hailing apps (example: Uber, Ola etc.), food delivery services (example: Swiggy, Zomato etc.) and freelance market places. It is also known as digital labor platforms, freelancer economy, agile work force, sharing economy or independent work force. In this context this paper takes an attempt to identify the nature and profile of the gig economy in Kerala. Specifically, it examines the socio-economic-demographic profile of gig workers in Kerala and to trace out the problems and challenges faced by them.

## Review of Literature

Singh et al (2024) points out that the gig economy offers flexibility but exposes workers to job insecurity and mental health challenges, with women facing heightened vulnerabilities due to precarious work conditions and limited social protections. This study surveyed 603 women gig workers in India using a cross-sectional approach. The findings emphasize the need for targeted interventions and policy enhancements to improve the working conditions and support systems for women gig workers. Kumar et al (2024) in their research, investigated that how the tech business analytics changes the gig economy and its importance. Key findings are shows that tech business analytics greatly impact different areas of gig economy such as setting better prices, managing workers improving customer experience and following rules. By using data driven insights, platform can promote growth, reduce risk and create more value for everyone involved in gig economy. Jafar et al (2024) found that the gig economy driven by technological advancement and digital solution is transforming work by promoting economic growth and creating new employment opportunities. This study was more focused on methodology of available literature and secondary evidence. However, gig workers are neither formal or informal; they are independent contractors enjoying no benefits as formal workers do. To address these challenges, it is crucial to make gig work more inclusive by extending opportunities to women, person with disabilities and marginalised groups while leveraging the gig economy to formalise the broader economy. Rao et al (2023) explores the social security policies for gig workers in India, highlighting their economic role, challenges and the need for continuous upskilling. This research collected data through secondary data. Key findings are, it emphasizes the importance of social security initiatives and labour market data in shaping policies to promote the gig economy as a driver of growth.

Turning to the Kerala scenario, Sreehari (2023) investigated the dynamics of algorithmic management and Communication, focusing on their effects on labour autonomy within the gig economy, with Uber drivers in Thiruvananthapuram, Kerala, as the focal point. The aim of the study was to understand how algorithmic management influence the fundamental condition of work, shedding light on the experience of uber drivers in this new environment. The findings shed light on intricate connection between information access drivers' independence and broader structure of labour relation within the gig economy. Jiji (2024) explored gig economy in Kerala, which include job like delivery work for platforms such as Uber, Zomato and Swiggy. The study was conducted with 218 delivery workers to understand their motivations and need for a minimum wage. The study found that flexibility, job demands, and financial rewards are key factors that motivate people to work in the gig economy. The finding of this study reveals that there are various digital labour platforms as location-based or web-based with gig workers delivery essential service in urban areas. Similarly, Prince (2024) examined the Socio economic and health challenges faced by delivery workers in Trivandrum, a city witnessing rapid growth in e-commerce and food delivery services. He found that despite creating employment opportunities, the sector is marked by job insecurity, low wage, long hours work and lack of benefit such as health insurance and social security. The study highlighted the economic vulnerability and health risks inherent in this precarious form of urban employment.

## Results and Discussion

The study made use of the primary data collected by means of a structured interview schedule among 70 respondents who works in gig economy. It was found that 63% of gig workers belong to the APL (Above Poverty Line) category 37% gig workers fall in BPL (Below Poverty Line) category, which indicates that more than one third of these workers remain under economically weak circumstances. The caste-wise distribution reveals that 61% category belongs to OBC (Other backward caste). The share of general category is 27% while SC (Scheduled caste) constitute 6% and ST (Scheduled tribe) have 6%. 67% of workers on this gig platform are males, while 33% are females. This indicates a significant gender imbalance, with males making up roughly twice the number of females.

The analysis of income of the gig workers brings out significant inequality reflected in the high value of measures of dispersion. Most workers earn a relatively modest amount; that means a median of Rs 20,000.

Table 1 Summary statistics of monthly income

| Statistic           | Value  |
|---------------------|--------|
| Mean (in Rs)        | 48121  |
| Median (in Rs)      | 20000  |
| Minimum (in Rs)     | 3000   |
| Maximum(in Rs)      | 800000 |
| Standard deviation  | 128696 |
| C.V.                | 3      |
| Skewness            | 5      |
| Ex. kurtosis        | 21     |
| 5% percentile       | 5550   |
| 95% percentile      | 280000 |
| Interquartile range | 16250  |

Source: Primary data

At the same time, the examination of the age of gig workers brings out that they belong to relatively young population the mean age of the workers is 22.79, indicating that the typical respondent in the sample is in their early 20s. Half of the individuals are younger than or equal to 22.

Table 2: Summary statistics of Age

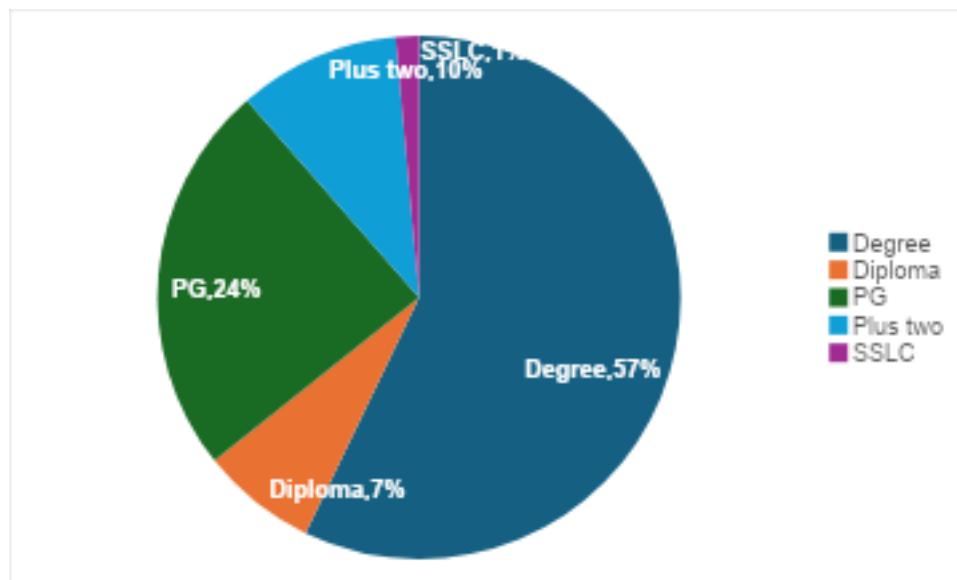
| Statistics         | Value  |
|--------------------|--------|
| Mean               | 22.786 |
| Median             | 22     |
| Minimum            | 18     |
| Maximum            | 30     |
| Standard deviation | 2.6913 |
| C.V.               | 0.1181 |
| Skewness           | 0.5668 |
| Ex. kurtosis       | 0.0316 |

|                     |       |
|---------------------|-------|
| 5% percentile       | 19    |
| 95% percentile      | 27.45 |
| Interquartile range | 4     |

Source: Primary data

A majority of the respondents, accounting for 57%, hold a degree, making it the largest segment. This indicates that most gig workers have completed undergraduate education. The second largest group, comprising 24%, consists of individuals with postgraduate (PG) qualifications, showing a significant proportion has pursued higher education beyond a bachelor's degree. Those who have completed Plus Two (higher secondary education) represent 10% of the total. Meanwhile, 7% of the workers hold a diploma qualification, indicating a moderate presence of technically trained individuals. The smallest segment is made up of individuals with SSLC (Secondary School Leaving Certificate) qualification, accounting for only 2%, suggesting that very few gig workers have education limited to the school level.

Figure 1: Education wise classification of the respondents



A majority of the respondents, accounting for 63% (44 respondents), do not consider gig work to be their primary source of income. In contrast, 37% (26 respondents) report that gig work serves as their primary source of income. This indicates that, for most individuals, gig work functions as a supplementary rather than a main source of livelihood. The analysis of the distribution of respondents across various categories of gig work indicates that freelancing (e.g., graphic design and IT services) has the highest representation, with 29 individuals, indicating a strong preference for or greater availability of digital and technical freelance opportunities within the gig economy. Food delivery services (e.g., Swiggy and Zomato) account for 21 respondents, reflecting the growing demand for app-based delivery services, particularly in urban areas. E-commerce-related work (e.g., Flipkart and Amazon) employs 16 individuals, likely concentrated in logistics, packaging, and delivery roles. In contrast, ride-sharing services (e.g., Uber and Ola) have the lowest representation, with only 4 respondents, which may suggest comparatively lower participation or demand in this segment among the sample population.

Karl Perason’s coefficient of correlation were computed among average monthly income from gig work and income deserve for the gig work). The correlation coefficient is 0.214, showing a weak positive correlation. This may be an indication of underlying dissatisfaction between what gig workers receive and what they feel they should receive. Furthermore, an OLS regression model with average monthly income from gig work as dependent variable and hours worked per day as explanatory variable was computed. the result is summarised in table 3.

Table 3 : Result of OLS Regression

| Regression Statistics |             |
|-----------------------|-------------|
| Multiple R            | 0.510568043 |
| R Square              | 0.260679726 |
| Adjusted R Square     | 0.249807369 |
| Standard Error        | 0.526393183 |
| Observations          | 70          |

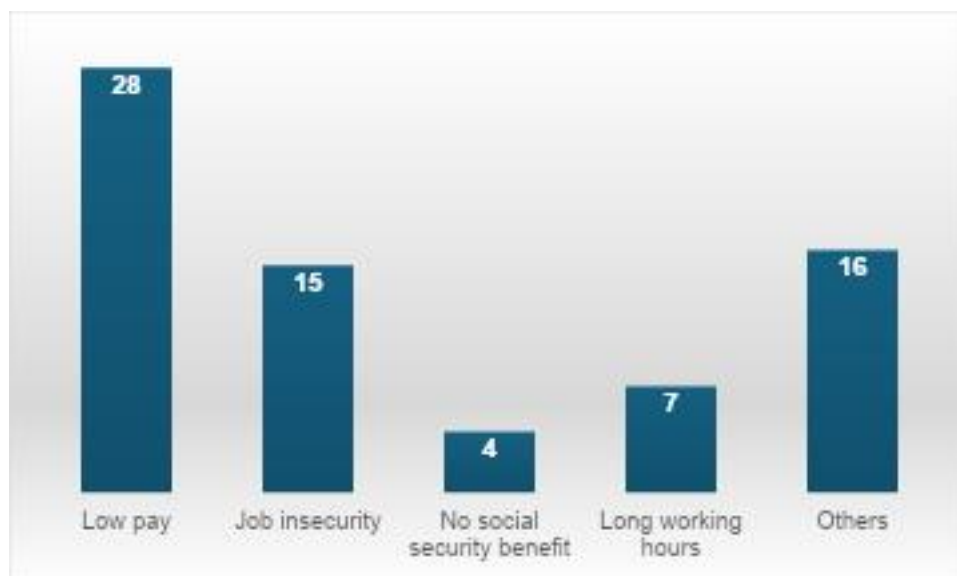
| ANOVA      |    |             |             |            |                |
|------------|----|-------------|-------------|------------|----------------|
|            | df | SS          | MS          | F          | Significance F |
| Regression | 1  | 6.643609023 | 6.643609023 | 23.9763767 | 6.31266E-06    |
| Residual   | 68 | 18.84210526 | 0.277089783 |            |                |
| Total      | 69 | 25.48571429 |             |            |                |

|               | Coefficients | Standard Error | t Stat      | P-value     |
|---------------|--------------|----------------|-------------|-------------|
| Intercept     | 0.614035088  | 0.188809369    | 3.252143099 | 0.001784259 |
| Hours per day | 0.412280702  | 0.084197894    | 4.896567849 | 6.31266E-06 |

Source: Primary data

The R Square shows that the 26% of the variance in the average monthly income from gig work is explained by hours worked per day, suggesting that other factors also influence the outcome. The model is statistically significant. That means significance F (6.31266E-06) is less than that of probability value 0.05. Figure 2 reflects the main challenges faced by gig workers

Figure 2: Challenges faced by Gig workers



Source: Primary data

Low wages are the most frequently reported issue, with 28 out of 70 employees identifying it as a major problem. This indicates that insufficient income remains a significant concern among workers. Job insecurity is the second most frequently reported issue, cited by 15 employees, reflecting uncertainty and the absence of stable employment conditions. Additionally, 16 respondents reported other unspecified problems, suggesting the existence of several concerns that were not specifically categorized in the study. Long working hours were reported by 7 workers, indicating issues related to work–life balance and excessive workload. Lack of social security benefits was the least reported issue, mentioned by only 4 workers, implying that although it exists as a concern, it affects comparatively fewer respondents in this dataset. Overall, the findings highlight low wages and job insecurity as the primary challenges faced by workers.

## Conclusion

The gig economy is quickly becoming an important part of Kerala's job market, especially in cities and digital industries. It's creating flexible work opportunities and giving young people new ways to earn a living, which has helped bring down unemployment. Many gig workers deal with unstable incomes, no job security, and very limited support if things go wrong. For this new way of working to truly benefit everyone in the long run, Kerala needs stronger policies, better training opportunities, and proper legal protections to make sure gig workers are treated fairly and can build stable futures.

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