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The Significance Of Gig Economy In Kerala: A Case Study Among Educated Youth

Dr Vidhu Johnson

Associate Professor & Research Guide

PG Department of Economics

SNG College Chelannur, Kozhikode

Abstract

The gig economy refers to a labour market characterized by the prevalence of short-term, flexible jobs rather than permanent, full-time positions. Instead of engaging in traditional regular jobs, gig workers take on temporary assignments or "gigs" in a wide range of fields, often facilitated by online platforms. This model allows workers to have more autonomy and flexibility in their schedules, while employers benefit from a workforce that can be hired on-demand, often for specialized tasks.

The gig economy in Kerala provides a wide range of opportunities for educated individuals. Kerala is the state with high literacy rate and has a significant number of college graduates. Many educated people in Kerala are increasingly seeking gig work due to its flexibility and the ability to supplement their income. The gig economy in Kerala for educated individuals is an emerging and growing space, driven by the state's high literacy rate, strong presence of tech-savvy professionals, and a culture of innovation. With an increasing number of people looking for flexible work arrangements, the gig economy offers a variety of opportunities for educated individuals to leverage their skills.

These diverse participants create a fluid and flexible system where traditional employer-employee relationships are replaced by temporary, often task-based collaborations that are mutually beneficial, though with different levels of security and stability for workers compared to full-time jobs.

Keywords: Gig workers, gig economy, educated youth in Kerala, skilled youth, online platforms

Introduction

Technology, particularly digital platforms, has been pivotal in reshaping how work is structured. Gig work is largely mediated by online platforms, which allow individuals to offer their services to a global market. This technological infrastructure enables workers from even developing countries to access job opportunities from anywhere in the world. The gig economy has grown because organizations realized they could reduce costs by hiring temporary workers or freelancers instead of full-time employees. This is especially appealing in times of economic uncertainty, such as the aftermath of the Great Recession. Companies were motivated by the need to minimize long-term commitments and operational costs, which contributed to the rise in the gig economy.

The Great Recession forced many workers in economically weaker sections to explore alternative ways to earn a living. With traditional, stable employment becoming less accessible, individuals turned to flexible work arrangements that the gig economy provides, such as freelancing, part-time, or contract

work. Businesses benefited by reducing hiring costs and increasing workforce flexibility. By using gig workers, organizations could scale labor up or down depending on immediate needs without committing to long-term employment contracts or benefits.

The Changing Labor Market

The labour market is evolving as more individuals, especially those from economically weaker sections or marginalized groups, adapt to non-standard forms of work. The ability to take on freelance projects, work from home, or engage in part-time gigs gives more people access to the labor market who otherwise might not have been able to secure full-time employment. With the rise of the gig economy, traditional views on employment are being challenged. People are increasingly seeing gig work as a viable alternative to full-time jobs. This shift also reflects a broader cultural and social change where the idea of "job security" may no longer be as important as the ability to have autonomy and control over one's own work schedule.

Review of Literature

(Sini V. Pillai and Drishya Dev 2022) discuss the impacts of the gig economy on labour markets by identifying the challenges faced by gig workers in the online labour market and the impact of gig economy on their health and well-being. They recommended specific actions to accelerate the development of the gig economy to ensure worker protection and safety needs in creating an inclusive economy.

(Kavitha A C and Parvathy P 2023) attempt to examine the extent to which the emergence of platform work options has offered succour to the workforce of Kerala hit hard by the dearth of employment opportunities owing to the pandemic-induced economic crisis. Though platform work was opted by all irrespective of educational level, those with higher educational qualifications were engaged in web-based work. Gender bias in favour of women was found in web-based work, while location-based jobs have a male domination.

Research Gap

Gig economy is a fast growing one and only limited studies are done on the importance of the same. Hence it is important to conduct a study on the gig economy where educated youth are finding full time or part time jobs.

Statement of the Problem

Kerala is a state with high literacy and large number of higher education institutions. The state produces many degree holders every year for who the state is unable to provide permanent jobs. So the gig economy helps the educated youth to find some fruitful jobs. But there are many questions regarding the working of the gig economy. Whether the youth are satisfied with the jobs? Whether they are joining the jobs because they are not able to get a permanent job? All these questions are to be answered.

Objectives of the Study

The study has the following objectives

1. To understand the significance of gig economy among the educated youth
2. To understand the industries in which gig workers are engaged
3. To analyse the advantages and disadvantages of gig economy according to educated youth

Methodology

The study is based on primary and secondary data. Primary data was collected through a structured questionnaire which was sent to 100 educated youth who are working on contract in different firms. Secondary data was collected through different websites, articles etc. different statistical tools were used to analyse the data.

Significance of the Study

The gig economy is gaining importance in the new era as the youth are searching for at least a temporary job to meet their expenses. Students are also doing part time jobs to earn something to meet their own expenses. Hence the employers are also happy to employ them as they have less obligations to the employed when they are hired. The economy is gaining importance day to day.

Also, the gig workers are helping the economy to move forward without labour deficiency. Labour unrests are also not there as the jobs are not permanent. Both the employer and the employee have freedom, employee to stay or leave and employer to continue or not. Gig economy is such a flexible economy. Hence it is important to understand and analyse the working of gig economy. Also, the future of the economy rests with the advantages and disadvantages it is facing now. Hence a thorough analysis is being done in this paper on the working of the gig economy.

The significance of Gig economy

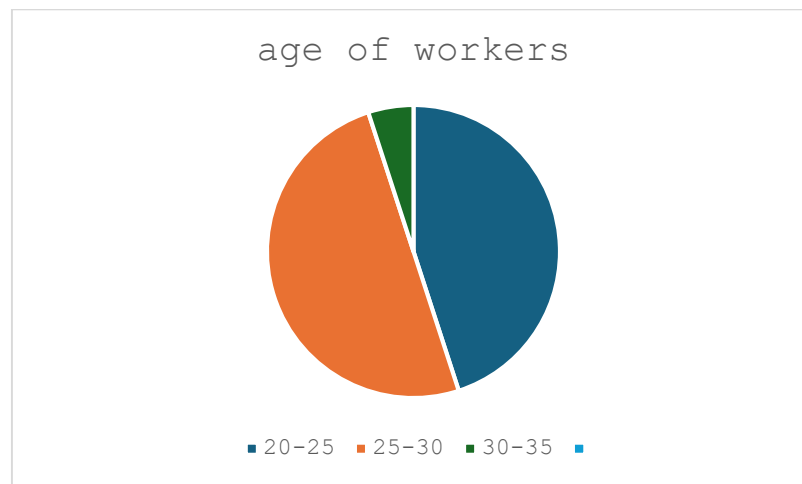
The rise of the gig and platform economy has significantly transformed the way people work, leading to a new era of flexibility and autonomy. As organised sector employment faces challenges from pandemics, wars, trade restrictions etc the world is shifting towards new forms of jobs created by the gig economy. The gig economy is characterised by short-term, flexible jobs, and is often facilitated by digital platforms that connect freelancers with businesses or individuals needing specific services. This model offers greater flexibility for workers and employers alike but also brings challenges regarding job security and benefits.

With the rise of digital platforms, gig workers can access job opportunities from anywhere in the world. For example, A freelance graphic designer in India can work for clients in the U.S., Europe, or China, expanding the scope for work beyond local boundaries.

Employers can also benefit from a diverse, global pool of talent, which can lead to more innovation and cost-effective solutions by hiring workers with specific expertise from across the globe. For employers hiring gig workers can be a cost-effective way to manage labour. By hiring freelancers or contract workers, companies can avoid expenses related to full-time employees, such as benefits, health insurance, office space etc. Gig workers offer businesses the ability to manage up or down based on project needs. When demand for a service is high, employers can hire more freelancers, and when demand is low, they can reduce the workforce without the complexities of firing employees.

About the study

The study was conducted among 100 educated youth from different parts of Kerala. The selected respondents were all males with at least a degree. 95% of the respondents belonged to the age group of 20-30. They were engaged as contract workers in different sectors like IT, civil, mechanical, hospitality and administration. They had a contract period ranging from 1-2 years but they were allowed to leave with a notice period of one month.



Source: Primary data

Educational qualification	IT	Mechanical	Civil	Hospitality	Administration	Total
UG+ add on course	3	-	-	5	-	8
BTech	16	8	12	-	-	36
MTech	4	2	4	-	-	10
Diploma	7	5	4	-	-	16
BBA	-	-	-	-	2	2
MBA	-	-	-	-	8	8
Hospitality management	-	-	-	20	-	20
Total	30	15	20	25	10	100

Source: primary data

The advantages and disadvantages of gig economy

The analysis is based on the data collected from 100 respondents from different parts of Kerala. According to them age is definitely a factor which holds them in the gig economy. They enjoy the freedom for time being but are sure that this is not enough for them to settle their future. But they are still happy that they are at least employed and are earning something for their daily needs.

Advantages

The factors which hold them in the gig economy include freedom. There is no obligation with the employers, and they are paid for their service on time. Some IT workers were happy that they can work from anywhere, as their physical presence was not necessary in the office. They have the freedom to set their own hours and choose when and how much they want to work. Since workers can decide their own work hours, they can achieve a better work-life balance, making it easier to fit work around personal commitments. They were getting timely payments. The workers were of the opinion that with contract works, they are always keeping them updated in their respective fields as the employer can hire them without any hesitation. They were acquiring new skills and were aware of the changes happening globally. They said a permanent job may not demand updated skills from the workers. Hence gig economy keeps them innovative all the time. The work experience with different projects and offices also keeps them fresh. They are not bored with the daily routine works.

Disadvantages

While the gig economy offers numerous advantages, it also has several disadvantages, particularly for workers. Here are some of the key drawbacks:

Gig workers are often paid on a per-task or per-project basis. Their income fluctuates significantly. The lack of a guaranteed income makes financial planning and stability difficult, especially during slow periods or when work opportunities are scarce. The inconsistency of gig work makes it hard to budget for essential expenses like rent, utilities, and healthcare. This unpredictability of job leads to financial stress and make it harder to save for the future. They aren't entitled to benefits like health insurance, paid leave, or retirement benefits. They are always in the fear of losing jobs as the employer can fire them any time from job. They have no security at the workplace. Gig workers do not receive paid sick leave, vacation time, or personal days. They need to take time off for illness or personal reasons, they may not get paid for that period, which could impact their financial situation. Gig workers usually have short-term contracts or are hired on a task-by-task basis. This can lead to anxiety about the future, and they are often unsure when their next project will come or whether they will be able to sustain a consistent income. Also they cannot expect for any type of career advancements.

They lack the legal protections afforded to traditional employees, such as minimum wage laws, overtime pay, and protection against unfair termination. This makes them more vulnerable to exploitation, as employers can take advantage of the lack of regulations. They have fewer legal protections. They do not have access to a company's HR department, legal support, or financial services. This lack of support makes it harder to handle issues like tax filing, contracts, and disputes.

Conclusion

The gig economy provides significant advantages, especially in terms of flexibility, income opportunities, and access to global business and talent. For businesses, it offers cost-effective solutions to meet short-term needs, while also providing access to specialized skills and expertise globally. However, the gig economy also has its challenges and disadvantages, such as income instability and a lack of employee benefits, which need to be addressed to ensure its sustainable growth.

While the gig economy offers a great deal of flexibility and freedom, it also presents significant challenges. Income instability, lack of benefits, job insecurity, and limited career advancement are a few of the difficulties that the workers face. Moreover, the absence of worker protections, possibility for exploitation, and the administrative burden of managing one's own work add to the complexity of work.

For gig workers to survive in this environment, there will likely need to be more regulations and safety nets, particularly in terms of health insurance, income stability, and worker protections. Governments along with job offering platforms must work together to create a more balanced approach that addresses both the advantages and disadvantages of the gig economy.

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