

# The Gig Economy and Youth Employment in Urban Karnataka: A Socio-Economic Examination.

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## Abstract:

This scholarly article meticulously investigates the increasingly significant influence that the gig economy exerts on employment opportunities for the youth demographic in the rapidly urbanising region of Karnataka. As digital platforms, including but not limited to Swiggy, Zomato, Uber, Ola, Urban Company and various freelance job portals, continue to proliferate and expand their reach, they are simultaneously transforming and redefining the conventional employment patterns that young individuals have traditionally relied upon. This extensive analysis carefully investigates the complex socio-economic consequences tied to gig employment, highlighting essential factors like income consistency, job satisfaction rates, opportunities for acquiring new skills and future career paths that may develop for younger workers in this industry. The research strategy for this inquiry is fundamentally anchored in the application of secondary data sources, which feature government reports and extensive surveys. It is focused on delivering a comprehensive and detailed analysis of the ways the gig economy is impacting the lives of young people in prominent cities like Bengaluru, Mysuru and Mangaluru. Furthermore, the study integrates recent societal developments, such as the implementation of India's Code of Social Security in 2020, the significant rise of hyper local delivery platforms and the increasing levels of digital literacy that are being observed among the youth population, thereby enriching the overall analysis of the gig economy's impact.

## 1. Introduction

The phenomenon known as the gig economy has emerged as a profoundly transformative force within the labour market of India, fundamentally altering traditional employment paradigms and simultaneously presenting a plethora of novel income-generating opportunities for the youthful demographic of the nation. This economic model, which is characterized by a proliferation of temporary and flexible employment opportunities enabled by the extensive use of digital platforms, has experienced a remarkable and exponential expansion, particularly in urban regions where the prevalence of smartphone usage and the accessibility of the internet are significantly high. In the state of Karnataka, which is widely recognized for its thriving information technology sector and dynamic start-up ecosystem, cities such as Bengaluru have evolved into vibrant hubs for platform-based gig employment across diverse domains including delivery services, ride-sharing initiatives, freelance work and domestic assistance.

In urban areas of Karnataka, it has become increasingly common for young individuals to actively pursue gig employment opportunities as a strategic approach to secure rapid income, maintain flexible working hours and achieve a level of

autonomy that stands in stark contrast to the conventional rigid hierarchies associated with traditional employment structures. This significant shift in employment patterns has been further accelerated by the unprecedented circumstances brought about by the COVID-19 pandemic, which resulted in substantial job losses within the formal labour sector and simultaneously hastened the transition towards the digitization of various services. In addition, the ongoing efforts towards post-pandemic recovery, coupled with the rising cost of living and the evolving aspirations of the youth, have collectively contributed to positioning the gig economy as a viable alternative source of livelihood for many.

Nevertheless, despite the apparent short-term advantages that the gig employment model may provide, it is imperative to acknowledge that it also presents a host of challenges that are intricately linked to income volatility, the absence of employment benefits, the pervasive nature of algorithmic control and the lack of established pathways for long-term career growth. The growing concerns regarding the protection of workers, the implications of digital surveillance and the exacerbation of socio-economic inequalities have ignited robust discussions at both national and state levels, focusing on how best to reconcile the principles of flexibility with those of fairness in the gig economy. This paper endeavours to deliver a thorough socio-economic analysis of the participation of urban youth in gig work within the context of Karnataka, meticulously evaluating both the opportunities presented and the vulnerabilities encountered, while also proposing a range of policy pathways aimed at fostering inclusive growth within this evolving labour landscape.

## 2. Review of Literature:

A multitude of studies has scrutinized the gig economy and its implications for employment dynamics in India. A report by **NITI Aayog (2022)** posits that India is home to over 7.7 million gig workers, with projections indicating this figure could escalate to 23.5 million by the year 2030. The report underscores that the youth demographic, particularly individuals aged 18–35, constitutes the predominant segment of gig workers. An earlier investigation conducted by the **Boston Consulting Group (2021)** accentuated that gig platforms lower entry barriers, thereby appealing to urban youth who possess limited avenues for formal employment.

The study conducted by **Azim Premji University (2021)** revealed a pronounced transformation in employment patterns in the aftermath of the pandemic, highlighting that gig workers encounter extended working hours, income instability and a deficiency in legal safeguards. It further observed an exacerbation of the gender disparity attributable to safety apprehensions and familial constraints. Moreover, the policy brief from **Aapti Institute (2023)** identified algorithmic management as a significant obstacle, wherein youth exhibit limited comprehension or agency concerning platform decisions that influence their earnings and ratings.

Additional literature, including scholarly articles from **Economic and Political Weekly** and **The Indian Journal of Labour Economics**, has investigated the inadequacies of existing labour regulations in addressing the unique requirements of gig workers. These examinations advocate for the development of inclusive policies, social security frameworks and improved acknowledgment of platform-based labour.

This literature review establishes a foundational framework for analysing the socio-economic implications of gig work on the youth of Karnataka and identifies critical deficiencies in policy and practice that necessitate immediate attention.

## 3. Objectives of the Study

1. To investigate the characteristics and extent of gig economy employment opportunities accessible to the youth demographic within urban Karnataka.
2. To evaluate the socio-economic repercussions of gig employment on young individuals.
3. To discern the benefits and drawbacks of gig employment from the perspective of the youth cohort.

## 4. Methodology

The research is grounded in both qualitative and quantitative secondary data sources. It encompasses analyses from NITI Aayog, the Ministry of Labour and Employment, statistical data from gig platforms, academic investigations and relevant media publications. Surveys administered in the years 2023-24 by the Centre for Monitoring Indian Economy (CMIE), along with insights derived from local non-governmental organizations and think tanks, are also scrutinized. The primary areas of focus include urban centers such as Bengaluru, Mysuru and Mangaluru.

## 5. Limitations of the study:

The investigation predominantly depends on secondary data derived from reports, surveys and scholarly literature. The absence of primary fieldwork or interviews may constrain the comprehensiveness of the lived experiences of gig workers. The examination is confined to metropolitan regions such as Bengaluru, Mysuru and Mangaluru. Consequently, the conclusions drawn may not be applicable to semi-urban or rural settings where gig work is manifesting in distinct manners. The gig economy is undergoing rapid transformation due to advancements in technology, regulatory frameworks and platform algorithms. Therefore, certain insights may become obsolete in a short timeframe. The study broadly classifies gig platforms; however, variances in working conditions among specific platforms (e.g., food delivery versus freelance technology work) may not be thoroughly represented. While gender-related issues are recognized, a more profound intersectional analysis incorporating caste, class and educational background falls outside the purview of this paper.

## 6. Gig Economy Landscape in Urban Karnataka

In the urbanized regions of Karnataka, with a specific emphasis on its major cities such as Bengaluru, Mysuru and Mangaluru, there has been a remarkable and noteworthy metamorphosis in the overall employment landscape, which can be primarily attributed to the rapid expansion and proliferation of the gig economy that has taken root in these areas. This significant transformation is largely propelled by the widespread emergence and accessibility of various digital platforms that facilitate on-demand services, which in turn have drawn the attention of a heterogeneous demographic of young individuals who are in search of flexible employment opportunities that provide immediate sources of income.

### 6. a. Key Sectors and Platforms:

In the domain of food and grocery delivery, it is evident that platforms such as Swiggy, Zomato and Dunzo have established themselves as the dominant players within this sector, collectively employing thousands of delivery personnel who partake in this burgeoning market. The appeal of these roles is particularly pronounced among semi-skilled youth, as these positions present minimal barriers to entry while simultaneously offering the enticing prospect of rapid financial returns that can be realized shortly after engagement.

Regarding ride-hailing services, companies like Ola and Uber have fundamentally altered the landscape of urban transportation by providing drivers with flexible work opportunities that align with their individual schedules and preferences. A qualitative research study conducted in Bengaluru has illuminated the fact that numerous drivers are particularly drawn to these platforms due to the autonomy they afford and the potential for substantial earnings that can be achieved through their participation.

In the realm of home services, the platform known as Urban Company plays a pivotal role in connecting skilled professionals with clients in need of a diverse array of services, which range from beauty treatments to appliance repairs, thereby facilitating an interaction that benefits both parties involved. Although this platform has indeed opened up new avenues for skilled workers, especially women who may have previously been marginalized in the labour market, it is crucial to note that recent reports have highlighted various challenges, such as the imposition of stringent performance metrics that can lead to significant dissatisfaction among workers.

When examining the fields of freelancing and digital tasks, platforms such as Up work and Freelancer have successfully enabled young people to engage in a wide variety of tasks related to information technology, design and content creation, thereby expanding their professional horizons. Furthermore, innovative startups like Karya are stepping in to provide opportunities specifically in the area of artificial intelligence data collection, with the aim of ensuring fair compensation practices for the individuals who contribute their efforts in this domain.

### 6. b. Recent Developments:

In response to the myriad challenges faced by gig workers, the Karnataka government has taken proactive measures by introducing the "Karnataka Platform-based Gig Workers (Social Security and Welfare) Bill" in the year 2024, which seeks to address these pressing issues. This piece of legislation is designed with the intention of establishing a dedicated welfare board, ensuring that workers are properly registered and mandating the provision of essential social security benefits that are crucial for their well-being.

With regard to worker mobilization, organizations such as the Indian Federation of App-based Transport Workers (IFAT) have played a crucial role in advocating for the rights of gig workers, undertaking initiatives that include organizing

protests and filing litigations to seek improved working conditions and corresponding social security measures that are necessary for the protection of these individuals.

#### 6. c. Challenges and Considerations:

Although the gig economy undeniably provides workers with a degree of flexibility and various income opportunities, it is imperative to recognize that these individuals frequently confront a multitude of issues, including income instability, the absence of adequate social security provisions and the pressures associated with algorithmic management. For example, numerous studies have revealed that a significant number of gig workers operating in Bengaluru endure protracted working hours without receiving appropriate compensation or benefits that would otherwise support their livelihoods.

#### 7. Youth are significantly influenced by socio-economic conditions.

**7. a. Income & Financial Stability:** Although engagement in gig work presents an opportunity for immediate financial gain and economic engagement, the reality is that the income derived from such work is frequently characterized by a significant degree of inconsistency, which can be attributed to various factors including, but not limited to, the fluctuating nature of pricing models, the incentives offered during peak operational hours and the commission structures imposed by the platforms themselves. Consequently, a considerable number of young individuals find themselves compelled to navigate and engage with multiple platforms in an attempt to create a more stable and reliable income stream that can help mitigate the inherent financial volatility associated with gig employment.

**7. b. Social Security & Benefits:** It's essential to highlight that most individuals partaking in gig work do not have the necessary benefits like health insurance, paid leave, or retirement plans, typically granted to traditional workers. Despite the existence of legislative measures, as outlined in the Code on Social Security (2020), which ostensibly includes provisions aimed at extending protections to gig and platform workers, the actual implementation of these provisions remains notably weak and ineffective, resulting in a lack of substantial safety nets for this particular segment of the workforce.

**7. c. Skill Development:** The opportunities for skill enhancement and professional growth within gig platforms are generally quite limited, which poses a significant challenge for those seeking to develop their competencies and advance their careers. However, it is worth noting that certain technology-driven gig roles, such as freelance software development or digital marketing positions, do offer comparatively more favourable prospects for career advancement and skill acquisition, thereby enabling individuals to cultivate valuable expertise in high-demand fields.

**7. d. Work-Life Balance:** While the allure of flexible working arrangements is undeniably appealing to many workers, it is essential to recognize that the inherent pressure to achieve and sustain performance metrics established by the platforms frequently results in extended working hours, leading to mental fatigue and the development of irregular and often unsustainable lifestyles that can adversely affect overall well-being and personal health.

#### 8. Issues Confronting Gig Workers

- Absence of formal acknowledgment and legal safeguards within the framework of prevailing labour legislation.
- Financial instability resulting from reliance on platforms and the absence of guaranteed minimum wage provisions.
- Ineffectual grievance resolution mechanisms and non-transparent algorithmic oversight.
- Concerns regarding safety, particularly for female gig workers and during late-night deliveries.
- Restricted avenues for financial inclusion, including limited access to credit and insurance products.

#### 9. Policy Recommendations

- Facilitate the effective execution of the Code on Social Security (2020) by establishing dedicated welfare boards specifically for gig workers in Karnataka.
- Impose minimum remuneration standards and ensure transparency within incentive frameworks.
- Acknowledge gig workers through the establishment of city-level digital registries and the issuance of smart identification cards.

- Promote collaborations between public and private sectors to deliver training, health insurance and digital literacy programs.
- Encourage the formation of gig worker unions and cooperatives to strengthen their collective bargaining capabilities.

## 10. Conclusion:

The phenomenon known as the gig economy, particularly as it manifests within the urban regions of Karnataka, presents a novel and potentially transformative avenue for youth employment opportunities, especially for individuals who are grappling with the complexities of economic uncertainty and those who encounter significant limitations in accessing traditional formal job prospects. Nonetheless, it is imperative to acknowledge that the inherent reliance of this employment model on informal work arrangements significantly exposes young workers to a myriad of socio-economic vulnerabilities, which can have profound implications for their overall well-being and economic stability. As a result, forming a well-balanced regulatory structure is crucial, one that secures necessary protections for these workers and simultaneously upholds the essential characteristics of flexibility and independence found in gig work. Also, it is vital that active and combined measures are executed by numerous contributors, which include public agencies, digital service companies and societal organizations, in order to genuinely shift gig labour into a steady and respectable means of employment that can positively influence the socio-economic makeup of the community.

## 11. References:

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