

**Research Article**

## **Exploring the Socio - Economic Conditions of Gig Workers in Hyderabad**

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### **Abstract**

The gig economy plays a crucial role in Hyderabad's digital economy, with gig workers contributing significantly to the city's growth. This study examines the socio-economic conditions of gig workers in Hyderabad, highlighting their opportunities, challenges, and government initiatives. Based on primary and secondary research, the study provides insights into gig workers' demographics, income levels, working hours, and social security benefits. The gig economy, especially in urban centres like Hyderabad, has revolutionised employment by offering flexible, platform-based jobs in transportation, food delivery, logistics, and personal services. Digital platforms and urban demand have made Hyderabad a gig job hotspot. Gig workers' socioeconomic situations are fragile and unregulated, despite their job contribution. This study evaluates gig workers' pay, employment security, working conditions, and social protection in Hyderabad. According to research, gig workers generally have unstable income, long hours, and no health insurance, paid leave, or retirement security. Many laborers must work more than 48 hours per week to survive, earning little and inconsistently. The report also identifies systemic issues including algorithmic control, arbitrary account suspensions, and insufficient grievance redressal processes that increase workers' susceptibility. Many workers claim zero institutional backing, no formal contracts, and no bargaining power with platform businesses. The gig workforce in Hyderabad is mostly young people driven by financial need, unemployment, or lack of alternatives. The gig economy is flexible and easy to enter, but it often puts economic risks onto workers, encouraging informalization and job instability. The study found that gig work boosts urban employment and economic growth but raises serious questions about labour rights, social security, and sustainable lives. It stresses the need for regulatory frameworks, welfare programs, and inclusive social protection systems to improve gig workers' socioeconomic conditions in Hyderabad.

**Keywords:** Gig Workers, labor, market, taxation, employment, literature.

### **Introduction:**

Hyderabad's gig economy is growing rapidly, with platforms like Ola, Uber, Swiggy, and Zomato hiring gig workers. The Telangana government has taken steps to improve gig workers' welfare, including the Telangana Platform Based Gig Workers (Registration, Social Security and Welfare) Bill, 2026. This bill provides statutory recognition to platform-based gig workers and proposes a tripartite welfare board. The board will comprise representatives from the government, workers, and aggregators, and will oversee social security schemes, including insurance, pension, and maternity benefits. The gig economy's rise signifies a profound shift in how labor markets are organized globally. Gig labor has become a common source of employment, especially in emerging nations like India, thanks to the quick development of digital technology, rising smartphone adoption, and the growth of app-based platforms. The

phrase "gig economy" describes a labor market where people are hired as independent contractors rather than official employees and have short-term, flexible, task-based work arrangements. In addition to introducing new dimensions of freedom, autonomy, and risk, this change has changed traditional employer-employee relationships. Gig labor has increased in India because to the development of digital platforms including ride-hailing, food delivery, e-commerce logistics, and freelance services. Because of its robust IT environment, urban infrastructure, and burgeoning service sector, Hyderabad stands out as a rapidly expanding hub. Urban centers have become focal points of this shift. Gig workers now have a lot of options in industries including transportation, delivery services, home-based services, and digital freelancing because to the city's thriving economy and rising customer demand. The gig economy raises serious questions about the socioeconomic circumstances of workers despite its expansion and potential. Without the advantages and safeguards that come with regular employment, such as job security, minimum pay, health insurance, and retirement benefits, gig workers frequently work in an unofficial setting. Their profits are frequently erratic and reliant on changes in customer ratings, platform algorithms, and demand. In addition, workers have limited access to grievance redressal channels, long and irregular working hours, and occupational dangers. Hyderabad's gig workers' socioeconomic profile is a reflection of larger structural problems like underemployment, unemployment, and rural-to-urban migration. Gig employment attracts a lot of people since it offers rapid earning prospects and low entrance hurdles. However, social insecurity and economic vulnerability are frequently the price of this flexibility. Their difficulties are exacerbated by problems including platform dependence, lack of collective bargaining power, and lack of legal recognition. Examining the socioeconomic circumstances of gig workers in Hyderabad in a methodical manner becomes crucial in this regard. The purpose of this study is to examine important factors such overall quality of life, social security access, working conditions, and stable income. By doing this, it hopes to add to the continuing conversation on labor reforms and inclusive economic development in India while also offering insights into the opportunities and difficulties related to gig employment.

### **Review of Literature**

Existing literature highlights the lack of labour protection, income instability, and absence of social security benefits for gig workers (De Stefano, 2016). Gig workers face challenges like taxation, platform dependency, and limited career growth (Graham & Anwar, 2019; McKinsey & Company, 2016). Studies also show that gig workers are often misclassified as independent contractors, excluding them from basic labour rights (Banjoko, 2019). This misclassification denies them benefits like minimum wages, overtime pay, and paid leave, making it difficult for them to sustain themselves.

Bhavani Singh (2020) analyzed the trends of gig economy expansion in Mumbai and Delhi to assess the advantages and disadvantages of temporary employment, concluding that jobs generated by the gig economy are transient and assist workers in alleviating financial difficulties for a limited duration. She concluded that the state should not exempt itself from the responsibility of generating sustainable employment for talented workers solely because the gig economy offers them income.

Rajvihar Sinha (2021) has noted that the gig economy's employment opportunities are particularly appealing to job seekers between the ages of twenty and thirty. Despite the potential for long-term consequences, their earning potential in gig conditions encourages them to ignore their other plans and persist in the gig economy's employment opportunities. This situation has the potential to result in significant unemployment in the long term.

Rakesh Kumar (2022) examined the effects of Covid on Bangalore's gig economy workers and found that bringing in more skilled workers has hurt low-skilled workers. According to his study, software companies' decision to enable remote work has reduced the

earnings of cab service providers, food delivery partners, and temporary workers in Bangalore's IT corridors. In his study, he claimed that gig economy occupations will remain fancy until Covid hits. He found that substantial economic prosperity is subject to even small economic instability in the state.

Prathima and Suraj (2022) discovered in their research that advancing the gig economy at skilled and consultant tiers may facilitate the workforce's engagement in moonlighting, defined as concurrently working for multiple companies. The practice of holding multiple job contracts may prove damaging if the individual is engaged with competitors or rival companies. The author's state in their study that current working circumstances are data-driven, and moonlighting habits observed in the gig economy may pose a threat to data security when workers are employed by two competing organizations.

### **Methodology**

The study uses primary and secondary sources to understand the socio-economic conditions of gig workers in Hyderabad. A survey of 100-150 gig workers in Hyderabad was conducted to gather primary data. The survey aimed to understand gig workers' demographics, income levels, working hours, and awareness of government schemes. Secondary research was also conducted using existing literature, government reports, and news articles to provide context and support the primary findings.

### **Key Findings**

The majority of gig workers in Hyderabad are young, with 64% between 26-35 years old. Most are male (91%), and 58% have completed graduation or intermediate studies. Income levels vary widely, with ride-hailing drivers earning ₹25,425/month, food delivery workers earning ₹24,053/month, and e-commerce delivery workers earning ₹13,753/month. Gig workers typically work 10-12 hours a day, 7 days a week. However, many are not aware of government schemes and social security benefits available to them. The research that was conducted on the socio-economic conditions of gig workers in Hyderabad offers a number of important findings on their means of subsistence, the setting in which they operate, and their overall well-being. A brief summary of the most important discoveries is as follows:

1. **Income Instability and Low Earnings:** The income patterns of gig workers are extremely erratic and unpredictable. Demand, platform algorithms, incentives, and customer evaluations all affect earnings. Many employees claim that their pay is insufficient to cover their basic living costs, particularly when demand is weak or incentives are diminished.
2. **Long and Irregular Working Hours:** A considerable percentage of gig workers engage in prolonged hours, frequently beyond 10-12 hours daily, to get a viable income. The lack of defined working hours results in physical fatigue and a constrained work-life balance.
3. **Lack of Social Security and Benefits:** Most gig workers work alone and do not have health insurance, paid leave, pensions, or accident coverage. Their lack of social protection makes them vulnerable to financial and health shocks.
4. **Job Insecurity and Platform Dependency:** Employees encounter significant job insecurity stemming from the lack of written contracts and the simplicity with which platforms can suspend or deactivate accounts. Their reliance on a singular platform further constrains their negotiating leverage and financial stability.
5. **Algorithmic Control and Limited Autonomy:** Gig workers have little say over their work schedules, pay rates, and other benefits because of the heavy hand of algorithmic management systems. There will be more pressure to satisfy performance goals and less real autonomy as a result.

6. **Occupational Risks and Health Concerns:** Road accidents, exposure to unfavorable weather, and physical strain are among the occupational risks that many gig workers, especially those in delivery and ride-hailing services, must deal with. Stress, exhaustion, and mental health problems are also frequently mentioned.
7. **Demographic Profile and Entry Drivers:** The gig workforce in Hyderabad is primarily comprised of youthful individuals, migrants, and those with limited formal employment opportunities. Numerous individuals engage in contract work as a result of unemployment, underemployment, or the necessity for additional income.
8. **Absence of Collective Representation:** Gig workers typically lack unions or established organizations, leading to diminished collective bargaining strength. This constrains their capacity to negotiate improved salaries, working conditions, and rights.
9. **Digital Divide and Skill Constraints:** Gig labor is dependent on digital platforms; yet, certain workers confront obstacles linked to digital literacy, access to smartphones, and understanding platform processes. These challenges might have an impact on their wages and efficiency.
10. **Need for Policy Intervention:** The results show that the government needs to step in right away to regulate gig employment, make sure workers get fair pay, guarantee social security, and set up ways for workers to file complaints. To make gig workers' lives better, it is important to strengthen labor rules and recognize them as a separate group.

In general, the gig economy in Hyderabad is characterized by economic insecurity, a lack of protection, and structural weaknesses. Despite the fact that it provides work options and flexibility, it is characterized by these characteristics. The resolution of these difficulties is absolutely necessary in order to advance inclusive and sustainable employment in metropolitan areas.

### **Challenges Faced by Gig Workers**

Gig workers in Hyderabad face several challenges, including income instability and lack of social security benefits. Platforms use algorithms to control work allocation and ratings, which can be opaque and unfair. Additionally, gig workers have limited access to grievance redressal mechanisms, making it difficult for them to address complaints or disputes. These challenges highlight the need for stronger protections and regulations to ensure gig workers' rights are protected. Numerous institutional, social, and economic obstacles impact the livelihoods and general welfare of Hyderabad's gig workers. The practicalities of gig employment expose major weaknesses, despite the convenience and adaptability of the work itself. Below are the main obstacles:

- a. **Income Uncertainty and Financial Instability:** The absence of consistent and predictable income is one of the most significant obstacles. Platform algorithms, incentive structures, customer ratings, and fluctuating demand are all factors that influence earnings. The income of workers is directly influenced by sudden changes in pricing policies or reduced incentives, which complicates financial planning.
- b. **Absence of Social Security Protection:** Gig workers are typically considered to be independent contractors, which means that they are not eligible for official labor benefits such as health insurance, provident fund, pension plans, or paid leave. Because of this, they are extremely susceptible to danger in the event of an emergency, an accident, or a time of illness.
- c. **Job Insecurity and Arbitrary Deactivation:** Because digital platforms have the ability to suspend or deactivate accounts without prior notice or clear explanation, workers are constantly at risk of losing their jobs. Fear and uncertainty brought on by this lack of employment protection have an impact on both income and mental health.

- d. **Long Working Hours and Work Pressure:** A lot of gig workers have to work long hours, sometimes more than 10–12 hours a day, to make a decent living. The stress and physical exhaustion that come with having to achieve goals, do more work, and keep high ratings are too much.
- e. **Algorithmic Management and Lack of Transparency:** Gig workers function inside algorithmically governed frameworks that dictate task distribution, pricing, and incentives. These methods are frequently opaque, resulting in employees possessing no comprehension or authority regarding the calculation of their pay or the rationale behind specific actions.
- f. **Occupational Hazards and Health Risks:** Road accidents, pollution, severe weather, and physical strain are just a few of the risks that delivery people and ride-hailing drivers confront. Also on the rise are issues related to mental health, including stress, anxiety, and burnout.
- g. **Limited Bargaining Power and Lack of Representation:** The lack of unions or established worker associations constrains gig workers' capacity to negotiate improved wages, working conditions, or processes for conflict resolution. Their personal work ethos further undermines group activity.
- h. **Digital Dependency and Technological Barriers:** Smartphones, internet access, and app-based systems are vital to gig labor. Employees with low levels of digital literacy may find it difficult to make the most of their earnings potential, comprehend incentive systems, or use platform interfaces effectively.
- i. **High Operational Costs:** Fuel, car maintenance, mobile data, and insurance are just some of the work-related expenses that many gig workers are responsible for paying on their own. These expenses have a big impact on their net earnings and contribute to the strain they are under financially.
- j. **Social and Economic Vulnerability:** A significant percentage of gig workers originate from economically disadvantaged backgrounds or are migrants in search of career opportunities. The absence of other employment possibilities frequently compels individuals to persist in precarious gig positions despite adverse circumstances.
- k. **Weak Legal and Regulatory Framework:** Despite the fact that there is a growing awareness of gig workers in legislative discussions, the protections that are currently provided by existing labor laws are minimal. There is a lack of specific regulations that govern platform work, which results in gaps in worker rights, conflict resolution, and accountability.

The paradox of the gig economy is brought to light by the difficulties that gig workers in Hyderabad are experiencing. While the gig economy provides people with employment options and flexibility, it also puts workers in a position where they are exposed to enormous socio-economic risks. It is necessary to implement comprehensive policy interventions, strengthen labor laws, and establish social security systems that are inclusive in order to address these difficulties and ensure that working conditions are both sustainable and equitable.

#### **Government Initiatives:**

The Telangana government has taken steps to support gig workers, including the Telangana Platform Based Gig Workers (Registration, Social Security and Welfare) Bill, 2026. The bill provides statutory recognition to platform-based gig workers and proposes a tripartite welfare board. The e-Shram portal allows gig workers to register and access social security benefits like health insurance and pension schemes. These initiatives aim to improve gig workers' welfare and provide them with greater security and stability. The fast expansion of the gig economy in India, particularly in urban centers such as Hyderabad, has spurred both the Central Government and State Governments to undertake a variety of programs with the goal of

enhancing the welfare and socio-economic conditions of gig workers. The establishment of legal recognition, social security, healthcare, and institutional support are the primary focuses of these activities.

**Suggestions:**

To improve gig workers' welfare, the government should introduce a comprehensive legal framework that defines their rights and protections. Social security benefits like health insurance and pension schemes should be provided to gig workers. Algorithm-based systems used by platforms should be transparent and fair, and grievance redressal mechanisms should be strengthened. Additionally, skill development programs can help gig workers improve their work opportunities and increase their earnings. By implementing these measures, the government can support the growth of the gig economy while protecting workers' rights.

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