

Digital Platforms and Gig Workers: A New Model for Sustainable Economic Empowerment

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Abstract

The job market in the gig economy sector is changing as a result of the integration of digital platforms, which is fostering a new form of long-term economic empowerment. This has resulted in the introduction of a new business model as well as the creation of more jobs that allow people to diversify their income streams and achieve greater financial independence. Through artificial intelligence-driven algorithms and job allocation by them, digital platforms give individual participating workers the ability to increase or stabilise their income, predict demand, and have a high level of access to employment. This article, which centres on the city of Madurai, looks at how gig workers use online platforms to solve their financial issues and attain financial stability and employment security. The researcher in this case employs stratified random sampling methods across five urban regions. The main source of data was from 120 respondents. Analytical approaches such as percentage analysis and Garrett ranking were employed to identify key motivational factors for accepting these gig jobs, such as flexible work schedules, earning potential, and platform assistance. Despite numerous benefits, such as higher earning potential and greater work freedom on digital platforms, there are drawbacks like gender inequality, a lack of skill development, and inadequate social security coverage. The results of this research emphasise the need for inclusive legislative reforms and technological interventions to assist gig workers, particularly in tier 2 cities like Madurai. For gig workers on platforms, it advocates a systematic strategy to improve financial resilience and long-term sustainability.

Keywords: Digital Platform, Gig Workers, Sustainability, Economic Empowerment

Introduction

In today's fast-changing business environment, companies are always changing to grow, reduce, or better their market position. Thus, transformations are taking place everywhere. Modern companies therefore have to change. Business operations have undergone major transformation as a result of digital and technical advances. It has generated a new economic model called the gig or platform economy when paired with digital platforms. Companies selected people for conventional jobs depending on their abilities and aptitude. However, having only talent and capabilities was not enough to stay competitive in Industry 4.0. To succeed in the changing job market, workers have to also adjust to technical advances and market swings. Originally meant only to link employees with companies, digital platforms have grown into complex ecosystems that greatly influence financial stability, professional development, and income potential. Presently aiding in revenue stabilisation, fair job distribution, and demand-driven availability prediction, artificial intelligence (AI) and algorithmic job assignment systems are. Financial technology developments including blockchain, micro and small loans, and basic digital payment techniques help improve the financial resilience of gig employees by streamlining already uncertain income flows at the same time. The sustainability job model has technologically changed by including a worker protection system together with financial advantages. Consequently, platform-based skill development programmes, digital insurance policies, and AI-driven solutions remove dishonest behaviour, therefore assisting gig workers in being more inclusive and connected to the digital platform. This study aims mostly to investigate how digital platforms are assisting gig workers in reaching financial stability and growth as

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well as how technical advancements are enhancing job security and long-term sustainability.

Review of Literature

To better comprehend the context and effect of digital platforms and the gig workforce on a worldwide scale, this study looks at existing literature such as national and international academic papers, newspaper stories, and government publications. It investigates how digital platforms help gig workers achieve economic stability and financial growth, as well as the role of technology in increasing gig workers' job security.

Forum meant for Progressive-Gig-Workers today (2024) released a paper on how the on-demand in the country is critical to the economic progress towards gig workers. Furthermore, it states that it includes alternative revenue sources and earning opportunities for women, as well as channels for incorporation interested in the personnel. The gig economy sector is predicted to develop 17% CAGR (compound annual growth rate) to USD455 billion in gross volume by 2024–25. Its impact to India's GDP is significant, amid forecast indicating that it has the possibility to make around 10 million jobs and increase goods and services produced and consumed in a country nearly more than 1% over time. The gig economy benefits a variety of industries, including e-commerce, transportation, and delivery. In order to uplift the workers' economic condition it is necessary to address the different geographical areas for a comparative view.

Ananya Radhakrishnan and Namrata Singha Roy (2023), Indian business drivers, view themselves as independent small business entrepreneurs in their study paper. This promotes micro-entrepreneurship throughout the system. They consider it full-time employment rather than transitory freelance work. This mechanism has formalised the wealth by assuring that they take home a set percentage. The business-driving-partners are relocating to a larger town in search of an improved worth of days for themselves along with their families. The growing popularity of the field is proof of this. The driver-partners are liberated to put their hold split schedule and job-time. They run their own companies and are just as committed to their success as we are. We are just the facilitators in this instance.

NITI Aayog (2022) according to that, is the first to provide in-depth insights and recommendations on India's gig economy. It discusses effective models for social security systems, ways to enhance skills, and methods for creating jobs for workers across different fields, as well as the prospects and difficulties within this expanding sector. During 2020–21, around 77 lakh individuals were betrothed in gig work in the country, which represented 1.5% of the entire workforce and 2.6% of those not working in agriculture. By 2030, it is probable that this figure could rise to a workforce of almost 23.5 lakhs, making up more than 6% of the non-agri manual labour force and almost 4% of the overall population. At present, gig workers are spread out with 31% in low-skill jobs, 22% in high-skill positions, and 47% in medium-skill occupations. The pattern suggests a decrease in the number of workers with intermediate skills, as more are transitioning to either low-skill or high-skill jobs. The research takes a comprehensive view, not confined to one particular area.

Objectives

- To examine how digital platforms help gig workers achieve economic stability and growth.
- To explore how technology improves job security and sustainability for gig workers.

Research Methodology

This study is based on information gathered directly from gig workers using digital platforms in Madurai city. The data collected were organised, compiled, and examined with statistical methods such as percentage analysis and Garrett's ranking test. The sample size comprises 120 respondents. To achieve equitable representation of various gig economy sectors across the geographical landscape of the study area, a probability sampling method utilising the stratified sampling technique was adopted. Madurai city was segmented into five zones: north, east, south, west, and centre. From each zone, 24 respondents were selected, culminating in a whole taster volume of 120. This technique ensures an unbiased demonstration of gig economy workers across all zones, enhancing the reliability of the findings.

Table 1: Demographic Attributes of Gig Workers

<i>Demographic Attributes</i>		<i>Frequency Distribution</i>	<i>%</i>
Gender	Male	96	80.00
	Female	24	20.00
Age	18–24	19	15.83
	25–34	69	57.50
	35–44	18	15.00
	Above 45	14	11.67
Education	Higher secondary	45	37.50
	Bachelor's	56	46.67
	Master's	15	12.50
	Others	4	3.33
Primary digital platform of work	Ride hailing	36	30.00
	Food delivery	41	34.17
	Freelancing	7	5.83
	E-commerce	34	28.33
	Others	2	1.67
Experience (years)	< 1	28	23.33
	1–2	44	36.67
	2–3	33	27.50
	> 3	15	12.50
Average monthly returns	Under INR10,000	6	5.00
	INR10,000–20,000	38	31.68
	INR20,000–30,000	47	39.16
	INR30,000–50,000	22	18.33
	Over INR50,001		

Source: Primary data computed.

Demographic Attributes of Gig Workers

The majority of the workforce falls in the age category of 25–34, which accounts for 57.50%, and it clearly shows that above 45 only 11.67% of respondents are engaged in this job nature. The survey reveals significant gender disparity among the participants – 80% of male respondents dominated the sample and only 20% of female participants were present, which shows there is gender gap for women participation in the gig economy. Educational qualifications: The mainstream of gig workers have minimum a high-school degree, with 46.67% holding a bachelor's and 37.50% having finished high school. The most popular gig labour sectors are food delivery (34.17%) and ride hailing (30.00%), followed by e-commerce (28.33%). Freelancing (5.83%) and other groups (1.67%) make up a relatively low proportion. Experience: The majority (36.67%) have been doing gig

work for 1–2 years, with 27.50% working for 2–3 years. Those with less than a year of experience account for 23.33%, while just 12.50% have been in the industry for more than three years, showing a young workforce. The largest percentage of gig workers belong to the income level INR 20,000–30,000, which is 39.16%. An additional 31.68% make between INR10,000 and INR 20,000, while 18.33% make between INR 30,000 and INR 50,000. Earnings vary greatly depending on the kind of work and expertise, with a smaller fraction earning less than INR10,000 (5.00%) or more than INR50,000 (5.83%).

Factors to Achieve Economic Stability and Job Security

The workforce is engaged in the gig economy for a variety of reasons; this contractual or task-based nature of

work will improve their economic conditions by making side hustle and allow them to exit from the traditional job, which results in job autonomy. The researcher ranked the importance of motivation when choosing gig labour. The affecting elements are shortlisted into 10 categories and ranked by respondents.

The ranking analysis was carried out using the Garrett's Ranking approach.

Percentage position = $100 \times R_{ij}/N_j$

R_{ij} represents the rank assigned to an item by the j th individual,

N_j denotes the total number of ranks assigned by the j th individual.

Garrett ranking is used to determine the general average score, which shows how motivational elements affect six specified criteria relevant to gig workers. Data collected were analysed against Garrett's Ranking table and scores. Each item's scores were compiled, and rankings were given depending on total value. The results are classified in Table 2.

Table 2: Impact of Digital Platform in Achieving Economic Stability and Job Security

Sr. No.	Factors	Total Score	Mean Score	Rank
1	Flexible work hours	8,874	73.950	I
2	Earning potential and incentives	8,079	67.325	II
3	Access to a wide customer base	5,113	42.608	VI
4	Technology and platform support	7,178	59.816	III
5	Social security benefits	5,319	44.325	V
6	Skill utilisation	6,417	53.475	IV

Source: Computed data.

Flexible work hours holds the first rank, offering autonomy and work-life balance, making gig work more appealing than traditional jobs. Earning potential and incentives take the second rank, as income tied to effort, performance, and platform incentives strongly motivate workers. Third place goes to technology and platform support, emphasising the need for efficiency-boosting payment methods, navigational aids, and job-matching services. Fourth place goes to skill utilisation, as employees value a chance to apply and expand their knowledge across a range of fields. Fifth rank goes to social security benefits, which shows knowledge of the necessity for protections such as insurance and pensions but implies they are either inadequate or not a major consideration in joining the gig economy. Finally, the sixth rank – access to a large consumer base – suggests that gig employees value flexibility, income, and technological support above customer reach even as platforms offer employment.

Conclusion

This study brings an important view of digital platform penetration into the employee workforce, combined with

technological upgradation. Digital platforms play an unavoidable role in gig workers' financial independence and the economic expansion of tier 2 cities like Madurai. The findings reveal that this trend fosters a new dimension of economic stability and sustainable empowerment – particularly in addressing gender disparities – which depends on the individual gig workers' professionalism and the knowledge they have acquired. Furthermore, it plays a significant role in lowering the need for traditional employment, particularly by connecting personnel with concerned individuals through AI-driven models based on user feedback, and by improving the platform for the convenience of both users and workers. This circumstance brings attention to key issues such as providing income, flexibility, and technical support, stressing the prominence of digital platforms. Nevertheless, various problems still persevere, such as the lack of skill upgradation, especially when individuals are engaged in lower-level jobs like ride hailing and food delivery. In addition, the absence of adequate social security benefits and the presence of clear gender disparities remain ongoing challenges. It is the need of the hour for both policymakers and platform providers to bridge these gaps to ensure every gig worker's economic resilience and inclusive growth.

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