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Research Paper

Gig Economy

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ABSTRACT

This study aims to contribute to a distinct understanding of economic transitions in India and their implications for sustainable development and social equity. The gig economy represents a significant shift in employment patterns, characterised by short-term contracts and freelance work. Understanding its impact is crucial as it influences the livelihoods of millions. The community of people under the poverty line in India has historically faced socio-economic challenges. Analysing the gig economy's effect on these marginalised groups can highlight both opportunities and risks associated with this new economic model. SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth) are directly related to our study. Insights from this research can inform policymakers about the gig economy's role in alleviating poverty. This can lead to more targeted and effective interventions to support vulnerable populations.

Keywords: *Gig Economy, Poverty Cycle, Marginalised Communities, Sustainable Development Goals, Informal Sector, Income Inequality, Social Equity*

This research paper indicates the dynamics of the poverty cycle and the impact of the gig economy on the poverty sector according to the census of 2011. Key factors such as lack of education, inflation, failed schemes, and the unequal distribution of income have impacted the cycle of poverty. Many schemes like MGNREGA (2005) and Pradhan Mantri Gramin Awaas Yojna (1985) were launched in hopes of a decrease in the poverty sector. These schemes failed due to several reasons. Hence the cycle of poverty continues with the failure of these schemes.

Hypothesis

The gig economy has a significant impact on the poverty cycle in India, influencing income opportunities and livelihood stability of people below the poverty line, in the context of the Sustainable Development Goals (SDGs) and the Census of 2011.

Research Question: How did the gig economy impact the cycle of poverty in the context of Sustainable Development Goals (SDGS) in India, considering the census of 2011?

RESEARCH METHODOLOGY

This research is a mix of quantitative and qualitative methods to explore the impact of the gig economy in 2011 on the cycle of poverty among the people under the poverty line, in the

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context to SDGs (Sustainable Development Goals). Firstly, qualitative methods include case studies, interviews and thematic analysis to capture detailed experiences and perceptions, which will help us understand more about the real-time gig economy workers and will also tell us about their work experience. On the other hand, quantitative analysis includes statistical inquiry of economic trends and indicators. This comprehensive methodology helps us understand all parts of the gig economy and will also inform us about the sustainable development strategies.

Secondary data collection provides us with important insights about the impact of the gig economy that affects the poverty cycle in reference to the Sustainable Development Goals (SDGs). It provides access to a large amount of information, which consists of government reports, scholarly articles and socioeconomic data from well-known sources. By identifying and analysing pre-existing data, researchers can find out patterns, trends and correlations relevant to the research question.

What is poverty?

According to The World Bank, "Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, and living one day at a time**.**

What is the poverty cycle?

There is a serious possibility that a significant percentage of the population may return to poverty. The impoverished in India are primarily located in low-income states that have historically had slower rates of economic development.

Poverty in India

We inherited poverty right from the time of our Independence in 1947. At the time when India got Independence, the poverty number was seriously counted in 1956 by the Planning Commission estimated that 65 percent, or 215 million Indians, were poor.

Based on Social, Economic, and Political aspects, there are different ways to identify the type of Poverty:

- **Generational Poverty**: Individuals and families are passed down from one generation to the next in a state of generational poverty. This becomes more difficult by the fact that there is no way out because the people are caught up in the cause and cannot obtain the resources needed to do so.
- **Rural Poverty**: Nowadays, most people rely on farming and other low-paying jobs that are available in their community to survive. These people lack financial resources and essentials for living. According to the Planning Commission, the percentage of persons below the poverty line in 2011-12 has been estimated at 25.7 percent in rural areas
- **Urban Poverty**: The Urban Poor suffer some serious issues, including restricted access to health and education; inadequate housing and services; an unpleasant and violent environment due to overpopulation; and little to no social safety net. According to the Planning Commission, the percentage of persons below the poverty line in 2011-12 has been estimated at 13.7 percent in urban areas

Why to choose the census of 2011?

Census 2011 Data: The 2011 census provides a comprehensive demographic snapshot of India. Using this data allows for an in-depth analysis of socio-economic conditions, making our study data-driven and credible.

Gig economy in India

A gig economy is a labour market where full-time permanent employees are much fewer than independent contractors and freelancers doing temporary and part-time roles.

Increase in the gig economy

This segment of the economy has seen the fastest growth in the workforce, from 2.5 million in 2011-12 to nearly 13 million in the current fiscal and is predicted to grow to 23 million by the end of the decade, according to NITI Aayog estimates.

There was a significant expansion in the GIG Economy in 2020. People were compelled by COVID-19 lockdowns to work from home and depend more on internet shopping for goods and services; these patterns persisted even after the restrictions were lifted.

Gig economy and poverty

Poverty leads to the exploitation of the labour force and forces the workers to work part-time, which is not healthy for their living. Most of the GIG workers are a part of urbanised cities, hence the cost of living is higher, and they do not have enough income to sustain their livelihoods, which is another reason for poverty.

Most of the gig workers do not have access to benefits such as healthcare, retirement savings, or paid time off due to the fact they cannot get promotions.

STEPS TO REDUCTION

- **Employment Opportunities:** The gig economy opened up new avenues of employment and, with its flexibility and accessibility, gave people below the poverty line new job opportunities. There were opportunities for generating income from platforms like ride-sharing services and freelance websites. With reference to SDG 8: Decent Work and Economic Growth, it creates job opportunities and promotes economic growth
- **Access to Resources:** The gig economy’s reliance on technology and internet connectivity caused difficulties for people who had limited access. People below the poverty line were marginalised further due to a lack of smartphones, digital literacy and internet connectivity.
- **Disrupts progress toward SDG 9:** Infrastructure, Industry and Innovation by excluding marginalised communities from technical developments.
- **Social Protection**: Gig workers usually lack social protection measures such as healthcare and insurance. People below the poverty line who are engaged in gig work were more vulnerable to economic hardships.
- **Damages progress toward SDG 1:** No Poverty and SDG 3: Good Health and Well Being by exposing workers to financial risks and insufficient medical care.

SCHEMES OF REDUCTION

- **Indira Awaas Yojana (IAY) (1985):** IAY provides housing assistance to below-poverty-line (BPL) families in rural areas. By addressing housing needs and improving living conditions, IAY enhances the quality of life and reduces homelessness among rural households.
- **Pradhan Mantri Gram Sadak Yojana (PMGSY) (2000**): PMGSY aims to improve rural connectivity by providing all-weather road infrastructure to unconnected habitations. By enhancing access to markets, social services, and economic opportunities, PMGSY contributes to rural development and poverty reduction
- **Sarva Shiksha Abhiyan (SSA) (2001):** SSA is a flagship program for universalising elementary education in India. By ensuring free and compulsory education for all children aged 6-14 years, SSA promotes educational access, equity, and quality, particularly for marginalised communities.
- **National Rural Health Mission (NRHM) (2005):** NRHM focuses on improving healthcare services in rural areas, particularly for mothers and children. By addressing maternal and child health issues, malnutrition, and strengthening healthcare infrastructure, NRHM aims to reduce mortality rates and improve health outcomes among rural populations.
- **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):** MGNREGA is a landmark social security scheme that guarantees wage employment to rural households. By providing 100 days of employment per year, it not only ensures livelihood security but also promotes asset creation and rural development.
- **National Rural Livelihood Mission (NRLM) (2011):** NRLM focuses on empowering the rural poor, particularly women, through self-employment opportunities. By organising them into self-help groups (SHGs) and providing access to financial services, skill development, and market linkages, NRLM aims to enhance income generation and reduce poverty.

FAILING OF THE SCHEMES

While the poverty alleviation schemes in India have been largely successful in reducing poverty rates, there are several reasons why poverty levels might have increased after the implementation of these schemes. Here are some potential reasons and how certain schemes might have failed:

Population Growth: India has experienced significant population growth over the years. While poverty rates might have decreased in absolute terms, the absolute number of people living in poverty could still increase due to population growth. For example, if the poverty rate decreases by 10%, but the population increases by 15%, the actual number of people living in poverty would still increase.

Economic Slowdown: Economic fluctuations and slowdowns can adversely affect poverty reduction efforts. If economic growth stalls or declines, it can lead to job losses, decreased income levels, and increased poverty rates. Schemes that are heavily dependent on economic growth, such as MGNREGA and NRLM, might struggle to maintain their effectiveness during economic downturns.

Corruption and Leakage: Corruption and leakage of funds meant for poverty alleviation schemes can undermine their effectiveness. If funds are siphoned off or misappropriated, it can reduce the impact of the schemes on poverty reduction. For example, if a significant portion of funds allocated for Pradhan Mantri Gram Sadak Yojana or Indira Awaas Yojana is lost to corruption, the intended beneficiaries might not receive the full benefits, leading to a failure of the schemes to effectively reduce poverty.

CONCLUSION

The gig economy's impact on the cycle of poverty among Indians below the poverty line is complex, with both positive and negative ramifications. While it provides employment opportunities and flexibility, it also perpetuates income inequality and exacerbates socio-economic disparities. To address these challenges and align with Sustainable Development Goals, policymakers must ensure that gig work offers fair wages, job security, and social protections for all workers, including marginalised communities of people under the poverty line. Additionally, efforts to bridge the digital divide and promote inclusive growth are essential to ensure that people under the poverty line can fully participate in and benefit from the opportunities presented by the gig economy.

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Conflict of Interest

The author(s) declared no conflict of interest.

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