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Q4(b)

Define the concept of 'gig' economy and discuss its impact on the labour market and workers' social security net

UPSC Civil Services Mains 2024 · Sociology GS 1 · 20 marks · Sociological Thinkers: Karl Marx

Sociological Thinkers: Karl Marx - Historical materialism, mode of production, alienation, class struggle; Emile Durkheim - Division of labour, social fact, suicide, religion and society; Max Weber - Social action, ideal types, authority, bureaucracy, protestant ethic and the spirit of capitalism; Talcott Parsons - Social system, pattern variables; Robert K. Merton - Latent and manifest functions, conformity and deviance, reference groups; Mead - Self and identity.

Core demand of the question

- Define the gig economy as short-term, platform-mediated or task-based work sold as flexibility
- **Discuss impact on the labour market:** informalisation, classification as independent contractors, wage pressure
- **Discuss impact on social security:** missing PF, ESI, paid leave and collective bargaining
- Use Indian platform work and labour-code debates

Revision summary

The gig economy pays for short tasks, often through digital platforms.

Firms often classify workers as independent partners rather than employees.

Labour-market effects include easy entry, risk transfer, wage pressure and algorithmic control.

Social security designed for regular employment does not automatically cover gig workers.

India's Social Security Code named gig and platform workers, but benefits remain limited.

Worker protests show that collective action is still possible outside the old factory union.

Introduction

The gig economy is a labour market in which people are paid for short tasks or gigs rather than for a stable job with one employer. Digital platforms now organise much of this work in transport, delivery, domestic service and click-work. Firms present the arrangement as flexibility and entrepreneurship. Sociology treats it as a form of labour control. The impact falls on the structure of the labour market and on the social security net that once assumed a long-term employer.

Body

Defining the gig economy

- **A gig is a discrete task:** a ride, a delivery, a design job, a micro-task online. Platforms such as ride-hailing and food-delivery apps match supply and demand, set rules, and often set prices through algorithms. Guy Standing's idea of the **precariat**, and earlier work on informalisation by Jan Breman and the ILO, help place gig work in a longer history. In India most workers were

already informal. The new element is platform mediation, rating systems, and the legal claim that the worker is an independent partner, not an employee. The **Code on Social Security, 2020**, named gig and platform workers as a category, which shows that the state now sees the form, even if protection is still thin.

Impact on the labour market

Gig platforms expand a flexible workforce that can be switched on and off. They compete with regular service jobs and can push wages and hours in those sectors. They create easy entry for migrants and students, which looks like opportunity. They also transfer risk to the worker: idle time, fuel, vehicle repair, accident and demand slumps. Classification struggles are central. If the worker is not an employee, labour law on minimum wage, union recognition and unfair dismissal is hard to apply. Algorithmic management replaces the visible supervisor. Ratings become a private court. Women in gig domestic work and beauty work face both platform control and household stigma. The labour market becomes more like a spot market and less like an internal labour market with careers.

Impact on the social security net

The standard net of Employees' Provident Fund, ESI, gratuity, paid leave and employer-backed accident cover was built for recognised employment. Gig workers typically stand outside it. Health shocks, old age and downtime are privatised. Some platforms offer commercial insurance as a product, which is not the same as a right. Trade unions and new worker associations have tried to organise anyway, as in strikes by app-based transport workers in Indian cities. The NCEUS had already mapped a huge unorganised sector. Gig work adds a digitally visible layer to that old insecurity. Without portable benefits tied to the person rather than to a single employer, the security net will not catch this labour.

The sociological impact is therefore a sharpening of precarity, a blurring of the employee category, and a challenge to welfare systems designed for the factory and the office.

Labour market and security together

A delivery worker may have more daily choice of hours than a factory hand, and still have less monthly security. Idle time is unpaid. Accident risk sits on the worker. The platform can change incentive slabs overnight. Trade unions built for a factory gate find it hard to meet a workforce that never shares one canteen. New associations still try, which shows that the gig form does not abolish collective action. For Indian policy the implication is portable social security, clearer employment tests, and data rights over ratings. Without those, the gig economy will keep expanding the informal sector in a digitally visible way rather than shrinking it.

Flow diagram

Gig and platform work -> Spot labour market
Gig and platform work -> Contractor classification
Gig and platform work -> Thin social security
Algorithmic control -> Gig and platform work

Conclusion

The gig economy is task-based, often platform-mediated work sold as flexibility. It informalises and fragments the labour market and leaves workers outside the old employer-based security net. Law has begun to name the category. Protection and bargaining have not yet caught up.

Facts & figures

Platform worker

A person whose work is organised through a digital application that allocates tasks and often ratings.

Code on Social Security, 2020

Indian labour code that defines gig and platform workers as a distinct category for possible social security.

Precariat

Standing's term for workers with unstable labour, thin rights and little occupational identity, a useful fit for much gig work.

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