

## Covid-19: A Salient Driver of the Emerging Gig Economy in India

**Swetta Mohanty<sup>1\*</sup> and Dr. Jayashree Jethy<sup>2</sup>**

<sup>1</sup>Ph.D. Research Scholar (Commerce), Rama Devi Women's University, BBSR.

E-mail: swettamohanty1995@gmail.com

<sup>2</sup>Assistant Professor (Commerce), Rama Devi Women's University, BBSR.

E-mail: jayashreejethy@rdwu.ac.in

\*Corresponding Author

**Abstract:** The study investigates the growth of the gig economy amid the Covid-19 outbreak. The article also emphasised on the beneficial impacts of the Covid outbreak, which, although being damaging, helped to the country's progress by changing the traditional way of working. The paper also looked into individuals' perceptions of gig jobs, which had gained popularity due to the spread of the lethal disease. For this study, 200 persons were picked at random from IT organisations, with 158 employees participating in the questionnaire response. The questionnaire consists of specific questions on distinct variables that may stimulate or demotivate people to participate in the gig sector or take up gig employment. The findings indicate that perhaps the service sector may be a viable career option for both men and women. Men and women are both drawn towards the gig economy for reasons of income and flexibility, given the fact that a significant percentage of them working out of the gig economy. Women were more inclined than men to claim to performing gig jobs because it was appropriate for their schedule, implying that non-work activities like as family, act as constrain for women more than men. Males were observed to be more productive than females in creating money through gig labour.

**Keywords:** Gig, Gig Economy, Pandemic, Covid-19, Perception

**JEL Codes:** M55, I150, O5, M51

### 1. INTRODUCTION

Over time, the digital gig economy in India has rapidly gained popularity and has increased chances for many. The gig economy is also known as the digital economy, on-demand economy, peer economy, and sharing economy. The gig economy may be divided into the online gig economy & the physical gig economy, with the former encompassing work-on-demand via applications and online labour such as crowd work, microwork, or freelance work. The required skills for each kind of profession are different. Urban India has seen a significant evolution of the gig economy, which is already employing number of migrant workers and has the capacity

to do so in the future (Betterplace, 2022). India holds close to one-third of the worldwide market for freelancers, which is estimated to be worth \$2–3 billion. According to Truelancer's assessment (Jessy, 2016), the US has the most independent workers (53 million), followed by India (15 million). Demand of the services offered as well as a steady source of individuals eager for accepting works have both contributed to the platform economy's continuous rise in India. Due to the enormous freedom, it has given employees, the gig economy may end up being a key component in the future of employment. Several studies have looked at how the Covid-19 occurrence has influenced share prices and conventional economies, but nothing is known about how it has affected emerging gig economy. The gig economy is a revolutionary idea that is divided into four dimensions: internet intermediaries, paid work, contract workers, and personal services. It is thought to be the most significant economic transformation of the past ten years. This study makes an effort to comprehend how Covid-19 has affected platform economies. Many businesses have urged their staff to work remotely whenever feasible due to the shutdown. It would be fascinating to know whether or not the pandemic's occurrence has benefited the gig economy.

## 2. REVIEW OF LITERATURE

Altimier (2006) demonstrates a trend toward a show economy, ephemeral circumstances with consent, and free labourers for temporary commitment. Firm visionaries may build a business around this type of self-administration business with a little originality and smarts. Individuals who need to start this type of activity and concentrate upon the most well-known administrations, for example, data passage, writing, PC programming spreadsheets like Excel, and a wide variety of site development errands. Significant sites, for example, Fiverr and Upwork, work list activities and shows available. (Chisty *et al.*, 2007) The author attempted to uncover a link between a person's financial state and their social rank. In his article, he identifies financial advantage and social prestige, solid career prospects, employment safety, and parental influence as important motivators for young generation career preferences in Bangladesh. They discovered that 38.7% of graduates choose banking and 23.8% favour multinational corporations over any other employment. According to their findings, 11.7% of students choose teaching and 8.2% want to be business owners. (Park & Gursoy, 2012) The study focuses on determining generational disparities in workplace beliefs and attitudes with regard to various generations at work. They attempted to conduct a survey of over 600 customer service executives from various generations. According to the study's conclusions, the amount of job involvement necessary for each generation of work is varied, and no single technique would work for all. (Ashford *et al.*, 2018) The study demonstrates that by what means work is done has fundamentally altered in recent eras, with an increasing no. of individuals operating self-reliantly, outdoor of organisations, in a work style considerably dissimilar from that

expected by many organisational behaviour theories. Individuals have predictable obstacles when operating in this manner, such as being viable, staying organised, retaining identity, maintaining connections, and surviving emotionally. It was discovered that now the work and relationship behaviours required for such flourishing, as well as the emotional and cognitive capacities that underpin them. (Ganesh, 2020) This article investigates the three primary stakeholders in the Gig Economy and their interactions. Furthermore, the requirement for an HRM viewpoint while making crowd work decisions is emphasised. This study then proposes a conceptual framework for defining “Gig Projects” from a human resource viewpoint, as well as a method for designing particular HR procedures for the various sorts of Gig Workers. (Tan *et al.*, 2021) The study presents a brief overview of a gig economy, its scope, and its three types: new employment institution (what is performed), new employment type (how it will be done), & new employee rank (who does it). The research evaluates a new EU initiative aiming at tackling challenges related to the gig employment. The findings suggest that as gig economy evolves, it is necessary to address the whole range of ethical difficulties that it brings in order to make sure that this new kind of labour is more than merely bearable, but may potentially become such a morally desirable and egalitarian growth of the market economy.

The major gig work studies have been undertaken in Western countries, only with a few studies completed in India. Existing study has largely focused on the benefits and drawbacks of this system, as well as how legislation and suitable policies may safeguard the interests of such workers. It was discovered that certain studies on the rising trend are still being conducted in Western nations, but the research was restricted to individual perceptions of the gig economy following the covid outbreaks. However, no comprehensive research regarding the impact of the Covid-19 outbreak on the rise of the gig economy has been conducted, resulting in a greater understanding of individuals’ perspectives of the gig economy. The purpose of this research is to see if the pandemic has had a significant influence on India’s gig economy. It also looks at how people perceive the gig economy. Furthermore, this study looks into the rewards of those that work in the gig economy.

### **3. RESEARCH OBJECTIVES**

1. To study the impact of COVID-19 towards rise in India gig economy
2. To study the perception of individual towards gig economy among male and female

### **4. RESEARCH HYPOTHESES**

H0: There is no significant impact of COVID-19 outbreak towards the rise in Indian gig economy.

H0: There is no significance difference between individual perception towards gig economy between male and female.

## 5. RESEARCH METHODOLOGY

The primary purpose of this study is to increase understanding of how individuals view the gig economy. The relation between an individual's perception and choice for gig labour was examined using the Chi-square test with only a significance level equals to 5%. A questionnaire was created for this study and disseminated. For this study, 200 persons were picked at random from IT organisations, with 158 employees participating in the questionnaire response. The questionnaire has 14 questions. It was intended to reflect how the individual felt about the gig economy. 158 people were used as the sample size. SPSS was used to analyse the data using the Chi-square test.

Secondary data was acquired from two sources: Oxford University's iLabour Project's Online Labor Index (OLI) (Stephany *et al.*, 2021) and data on new Covid cases from 'Our World in Data' (COVID-19 Data Explorer, 2020) to investigate the pandemic's influence on India's gig economy. A descriptive analysis is performed on the dependent variable which is gig employees, and the explanatory variables, new COVID-19 cases. In descriptive statistics, the mean, standard deviations for the variables under study are used to characterise the overall behaviour of the data. The Pearson correlation method is again performed to investigate the linear relationship between the dependent and explanatory variables. The correlation coefficient ranges from +1 to -1. The Unit Root Test is used to determine data stationarity prior to performing econometric analysis. When analysing time series data, the Augmented Dickey-Fuller testing (ADF) is used to evaluate stationarity, or if the data series has a unit root. On the basis of the outcomes of the ADF unit root test, we perform a simple Ordinary Least Squares (OLS) regression to assess how the COVID outbreak has impacted the gig economy in India.

## 6. ANALYSIS AND INTERPRETATION

Table 1 first provides the results of the descriptive statistical analysis. According to the statistics, the average number of online gig employees between 1<sup>st</sup> March 2020 and 1<sup>st</sup> April 2021 is 150692, consisting of standard deviation which is 77136. The average number of fresh COVID cases over the research period was 31986, consisting of a standard deviation of 31006.

**Table 1: Descriptive or Summary Statistical Analysis**

<i>Variables</i>	<i>No of observation</i>	<i>Mean</i>	<i>Median</i>	<i>Std. Deviations</i>
COVID new cases	14	31986	19120	31006
Gig workers	14	150692	140080	77136

*Source:* Authors' Own Compilation

**Table 2: Pearson Correlation**

	COVID new cases	Gig workers
COVID new cases	1	0.1306
Gig workers	0.1306	1

Source: Authors' Own Compilation

Table 2 also includes the findings of the correlation analysis. The findings show a substantial positive link between COVID cases and gig workers, with a correlation value of 0.1306 at the 1% significance level. This suggests that there is a link between COVID new instances and gig employees in India. The average number of fresh COVID-19 cases over the research period was 31986, consisting of a standard deviation of 31006. A data series is only referred to as stationary if its statistical properties, such as mean and variance, remain constant across time.

**Table 3: ADF Unit Root Test**

Variables	<i>t statistic</i>	<i>Prob</i>
COVID new cases	-1.8256	0.035*
Gig workers	-5.0168	0.0037*

Source: Authors' Own Compilation

Both variables are stationary at level because they were integrated within the same order. Based on the ADF (Augmented Dickey Fuller) test findings, it is suggested that the influence of the COVID outbreak on Indian gig workers be explored using OLS (Ordinary Least Squares) regression. Table 4 shows the findings of a simple OLS model, which show that the COVID-19 outbreak has a significant positive influence upon India's gig economy, rejecting the null hypothesis. The number of employees may rise by 0.032 for each and every increment in covid cases, based on the regression results. This could be due to the pandemic's lockdown as a result of rising infections, which has increased the requirement for gig labour to be conducted via platforms where people likely at home purchase all the essentials via various applications, and thus more gig workers are required to fulfil orders placed online.

**Table 4: Ordinary Least Squares Regression Results**

<i>Dependant Variable, GIG WORKERS</i>	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-Statistic</i>	<i>Prob.</i>
COVID_NEW_CASES	0.032400	0.001200	0.456300	0.0032
C	10.78030	0.013100	516.8880	0.0002

Source: Authors' Own Compilation

The findings strongly suggest that the outbreak has a favourable influence on India's gig economy as contrasted to the traditional economy. There is also a significant cause-effect link

between the two, namely the COVID cases & the gig workers. Our analysis found that a pandemic has a significant positive influence on the digital gig economy. Politicians are thus urged to make every effort towards support of gig economy & propose policies such as giving these gig workers job security as doing so could keep the economy to continue to function even at times of global crises.

**Table 5: Demographic Profile**

<i>SAMPLE SIZE</i>		<i>158</i>	
		FREQUENCY	PERCENT
1	Gender		
a	MALE	91	58%
b	FEMALE	67	42%
2	Preferred Gig Worker		
		YES	NO
a	MALE	61	30
b	FEMALE	48	19
	TOTAL	109	49
3	AGE		
a	18-25	45	28%
b	26-35	59	37%
c	36-45	36	23%
d	46-55	13	8%
e	Above 56	5	3%
4	Your entire annual income is around		
a	None	11	7%
b	Less than 5 lakhs	39	25%
c	5 to 10 lakhs	60	38%
d	10 to 20 lakhs	32	20%
e	Greater than 20 lakhs	16	10%
5	What kind of employment/job do you have or did you have prior		
a	Fulltime	64	41%
b	Part time	22	14%
c	Consulting/freelancing	36	23%
d	More than 1 job	9	6%
e	Entrepreneur	27	17%

<i>SAMPLE SIZE</i>		<i>158</i>	
6	How many hours do you spend on average every day on your job?		
a	2 to 4 hours	32	20%
b	5 to 8 hours	71	45%
c	9 to 12 hours	20	13%
d	More than 12 hours	35	22%
7	Which job category are you keen in?		
a	Fulltime	54	34%
b	Part time	12	8%
c	Consulting/freelancing	41	26%
d	Entrepreneur	51	32%
8	Will you quit your secure employment to follow something you genuinely want?		
a	Yes	86	54%
b	No	43	27%
c	Depends on situation	29	18%
9	I'd really like to engage in my field of interest		
a	Along with my present Job	37	23%
b	After quitting my regular job	61	39%
c	Post retirement	48	30%
d	Not interested/Not applicable	12	8%
10	Do you have any cash reserves if you wish to explore entrepreneurship/freelancing instead of working full-time?		
a	Yes	69	44%
b	No	89	56%
11	I'm hesitant to consider starting my own business or doing freelancing work because		
a	Lack of ideas	24	15%
b	High competition	32	20%
c	Lack of funds	42	27%
d	Risk factor	23	15%
e	Lack of confidence	18	11%
f	Lack of information	19	12%

<i>SAMPLE SIZE</i>		158	
12	Freelancing is appropriate for		
a	Retired people	27	17%
b	Professionals	46	29%
c	Women	17	11%
d	anyone	68	43%
13	The rise of freelancing is due to		
a	Increase in Unemployment	33	12%
b	Availability of Multiple options	49	36%
c	Flexibility of working	57	31%
d	Lucrative income	19	21%
14	People are hesitant to transition to freelancing due to		
a	Lack of confidence	44	28%
b	Low self esteem	39	25%
c	Lack of fixed income	75	47%

*Source:* Authors' Own Compilation

The Table-6 below represents the Case Processing summary, which shows how many valid cases were used for analysis.

**Table 6: Processing Summary**

	<i>Valid</i>		<i>Cases Missing</i>		<i>Total</i>	
	N	Percent	N	Percent	N	Percent
Gender*	158	100.00%	0	0.0%	158	100.00%
Preference For Gig Work						

*Source:* Authors' Own Compilation

The findings of the crosstabulation & chi-square test are in the following tables.

**Table 7: Gender \* Preference for Gig Work Crosstabulation**

			<i>PREFERENCE FOR GIG WORK</i>		<i>TOTAL</i>
			<i>YES</i>	<i>NO</i>	
GENDER	MALE	Count	61	30	91
		Expected Count	62.8	28.2	91.0
	FEMALE	Count	48	19	67
		Expected Count	46.2	20.8	67.0
TOTAL		Count	109	49	158
		Expected Count	109.0	49.0	158.0

*Source:* Authors' Own Compilation



**Table 8: Chi-Square Tests**

	<i>Value</i>	<i>df</i>	<i>Asymptotic Significance (2-sided)</i>	<i>Exact Sig (2-sided)</i>	<i>Exact Sig (1-sided)</i>
Pearson Chi-Square	.383 <sup>a</sup>	1	.536		
Continuity Correction <sup>b</sup>	.198	1	.656		
Likelihood Ratio	.385	1	.535		
Fisher's Exact Test				.603	.329
Linear-by-Linear Association	.381	1	.537		
N of Valid Cases	158				

0 cells (0.0%) have expected count less than 5. The minimum expected count is 20.78  
Computed only for a 2X2 table

Source: Authors' Own Compilation

The key observation from the table of Chi-Square Tests:

- The test statistic's value is 0.383.
- Since the cross - tabulation is indeed a 2x2 table, the test statistic's degree of freedom (df) is  $df = (R-1) * (C-1) = (2-1) * (2-1) = 1$
- The test statistic's associated p-value is  $p = 0.603$ .

Rule of thumb: If (Alpha) = 0.05, a test is considered significant.

If  $p$  is  $\leq 0.05$  the test is significant There is a significance difference between individual perception towards gig economy between male and female.

If  $p$  is  $> 0.05$  the test is not significant There is no significance difference between individual perception towards gig economy between male and female. Since the p-value exceeds our selected significance level ( $\alpha$ ) of 0.05 by a wide margin, we therefore agree with the null hypothesis and draw the conclusion that there is association of gender & an individual's preference for the gig economy. According to the findings, there is a considerable association of gender and an individual's preference for the gig economy. ( $\chi^2 (1) = 0.383, p = 0.603$ ).

## 7. FINDINGS

The gig service sector, which was considered to be a huge economic revolution over the previous few years (Jeon & Ostrovsky, 2020), has grown more quickly than ever before after the COVID-19 outbreak emergence. The COVID-19 shutdown seems to have a substantial effect on the labour market globally, with a rise in the popularity of temporary gig employment (Baker *et al.*, 2020; Dev & Sengupta, 2020). Because of the enormous and exciting potential of the Indian gig economy, the current study investigates the influence of the Covid outbreaks

on the Indian gig service sector. The COVID-19 breakout has significantly benefited India's gig economy, according to the research. The findings of the study, the first such in India, should be utilised by authorities to promote the gig service sector at challenging times when the economic slump appears to be severe due to a contagion, and the gig service sector may thus be a glimmer of hope used to feed Indian economy. Because of this positive contribution towards the gig economy, policymakers may be able to address issues confronting gig workers, such as job insecurity, well-being and security concerns, and a lack of numerous benefits and compensation for these employees who are critical to the nation's positive economic change. To ensure labour protection across all aspects of these digital platforms, a regulatory framework should be developed.

Again, the findings indicate that there's no difference in male and female perceptions regarding gig employment in the gig economy. In this regard, both men and women have an equal say. They consider the gig economy as a career option because the issue of unemployment has also been increasing for a long time, especially since the 2008 recession, when companies were very cautious about hiring full-time employees. Companies are constantly looking for cost-effective ways to meet their manpower requirements, such as hiring temporary/contract workers, outsourcing, and so on. It has been observed that many women leave their occupations owing to family duties and child care, and very few of them are able to return and restart their careers. As a result, women should be evaluated for such types of engagements in which they may have maximum freedom while still continuing to work on their own terms. Even males do not have enough time to dedicate to other tasks; nevertheless, with gig employment, one may devote their time to other projects or an extra source of revenue.

## **8. SUGGESTION AND CONCLUSION**

Although this strategy may not be appropriate for all professions, it is appropriate for those where innovation is required but it is not necessary to be fully connected with the organisation. Such profiles should be developed, and appropriate Job Descriptions should be written for each. HR departments should determine competency for such types of jobs and have a system in place to evaluate them. The findings suggest that government should take action to promote the gig economy as it could help society function even in really difficult times.

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