

SOCIAL SECURITY OF GIG WORKERS

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Abstract:

The emergence of the gig economy has altered traditional employment models, presenting new difficulties in safeguarding social security for gig workers. Unlike traditional employees, gig workers frequently do not have access to vital benefits such as health coverage, retirement plans, and unemployment insurance. The lack of established legal frameworks in numerous countries has left them financially exposed, with minimal employer contributions towards social security. Although some governments and platforms have developed optional programs, these solutions fall short of providing long-term financial security. There is an urgent need for policy changes and self-contribution systems to close this gap. This research examines current social security provisions, identifies obstacles, and proposes policy recommendations to improve protections for gig workers worldwide.

Keywords- *Gig Economy, Social Protection, Freelancers, Labuor Rights, Welfare Benefits.*

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Introduction:

The gig economy, which offers flexible work options through digital platforms like ride-hailing, food delivery, and freelance work, has grown significantly in recent years. Although this paradigm gives workers more freedom, there are significant drawbacks, especially with relation to social security. Gig workers frequently lack access to basic benefits like health insurance, retirement savings, and unemployment insurance, in contrast to regular employees. They become financially exposed during recessions or job losses as a result of this lack of security.

To guarantee gig workers have sufficient social protection, governments and legislators around the world are finding it difficult to update labor laws. Their eligibility for benefits is directly impacted by whether they should be categorized as independent contractors or employees, which is a major point of contention in this discussion.

Review of Literature:
Bieber & Moggia, 2020

The risk shift has a significant impact on the most vulnerable workers, as it complicates their ability to plan for the long term, thereby affecting their autonomy and sense of self-worth. This unpredictability influences their earnings and the amount of leisure time they possess. Furthermore, it imposes indirect costs on society in ways that often undermine basic principles of justice. Advocates for an unregulated gig economy neglect the reality that labor is a deeply rooted social good, rather than merely another commodity. Companies operating within the gig economy disregard this fundamental social context of labor by viewing it as a commodity that can be endlessly transformed and divided. They seek to detach it from the social ecosystem from which it originates and sustains.

Gleim, Johnson, & Lawson, 2019

The rising use and expansion of businesses entering the market have created more employment

opportunities for individuals seeking to participate in the gig economy. However, not all gig job options are equivalent. Generally, gigs can be divided into two primary categories: direct selling and the sharing economy. Individuals' perceptions of these two kinds of gigs vary significantly. Conversely, workers in the sharing economy show a more complex relationship with these results, marked by considerably lower self-congruence and heightened perceived commerciality.

Allon, Cohen, & Sinchaisri, 2018

Businesses in the gig economy benefit from the flexibility of their workforce by employing independent contractors to fill roles as they arise. However, the unpredictable nature of employees' work schedules presents a considerable challenge for planning and committing to a service position. By optimizing incentives, organizations can boost service capacity without incurring additional costs or maintain it at a reduced expense. Ignoring behavioral factors may lead to staffing shortfalls that fall below the optimal level of capability.

Objectives:

- To examine the current status of social security benefits available to gig workers globally.
- To analyze the legal and policy frameworks governing gig workers' social protection.

Challenges Faced by Gig Workers:

- To identify the key challenges faced by gig workers in accessing social security schemes.

Research Methodology:

This study employs a secondary research approach to examine existing literature, reports, and policies concerning the social security of gig workers. Data is gathered from reliable sources, including government documents, academic journals, research publications, and industry reports. The objective is to identify shortcomings in current policies and explore potential strategies to strengthen social protection for gig workers.

A qualitative content analysis is utilized to assess and compare various policies and regulatory frameworks across different countries. The study primarily focuses on key themes such as health insurance, pension schemes, unemployment benefits, and workplace protections for gig workers. A comparative analysis is conducted to highlight best practices and formulate policy recommendations aimed at improving social security measures. Ethical considerations are upheld by ensuring that only credible and properly referenced sources are used. Additionally, no personal or sensitive data is included in the study to maintain research integrity.



These are the following challenges a gig worker faces:

- **Lack of Job Security and Stability:** Gig workers typically work on short-term contracts, which means they don't enjoy the stability of permanent jobs. They are always in constant search for new projects. They don't have the stability of a permanent job. Sometimes, when they don't face gaps in work and income issues.
- **No Employee Benefits:** A permanent job offers benefits like health insurance, Paid leaves, PF, and retirement savings. On the other hand gig workers don't receive these benefits and feel a financial burden.
- **Uncertainty in Income:** Gig workers often face fluctuations in demand, client availability, or seasonal trends. This uncertainty makes it difficult to manage their finances.
- **Limited Legal and Social Protections:** In many countries, gig workers don't come under the category of employees. They don't get unemployment benefits like workers' compensation and protection against unfair treatment.
- **Maintaining Client Relationships and Managing Administrative Works:** These workers need to maintain their position in the market to get new projects. Building personnel takes time and resources, single-handedly maintaining everything makes them overburdened.

Advantage of Gig Workers:

Gig Workers get the following benefits:

- **Flexible Working Hours:** Gig workers have the power to set their schedules, allowing them to balance personal and professional lives. This flexibility is suitable for married women, parents, and students because they can manage their work along with family and study.
- **Opportunities to Generate Multiple Income Sources:** As compared to traditional jobs, gig work

allows individuals to work with multiple clients or platforms. It will diversify your source of income and help workers earn more money.

- **Freedom to choose projects based on Interest:** Gig workers have the choice to select projects according to their interests and passions. This gives professionals a chance to focus on creativity rather than on pressure to complete many tasks.

Findings:

- ✓ Most gig workers are excluded from formal social security schemes like pensions, health insurance, and unemployment benefits.
- ✓ Many countries classify gig workers as independent contractors, making them ineligible for employee benefits.
- ✓ Irregular earnings and lack of minimum wage protections create financial insecurity among gig workers.
- ✓ Gig workers often lack employer-sponsored health coverage, leading to out-of-pocket medical expenses.
- ✓ COVID-19 highlighted gig workers' vulnerabilities, prompting discussions on emergency relief measures.
- ✓ Some companies offer voluntary benefits like insurance, but they are inconsistent and often inadequate.
- ✓ Women gig workers face greater challenges, such as lack of maternity benefits and pay gaps.
- ✓ Gig worker associations are emerging to demand better labor protections and collective bargaining rights.

Suggestions:

- Governments should establish clear legal definitions for gig workers to ensure their inclusion in social security schemes.
- Platforms should contribute to social security funds to support workers' pensions, health

insurance, and unemployment benefits.

- Social security benefits should be portable, allowing workers to retain coverage across multiple gig jobs.
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- Special health insurance schemes should be designed for gig workers with flexible and low-cost premium options.
- A centralized digital system can track gig workers' earnings and facilitate social security enrollment.
- Collaboration between governments, gig platforms, and insurance providers can expand social security coverage.
- Education programs should inform gig workers about their rights and available social security options.

Conclusion:

- Gig workers experience major gaps in social security due to their classification as independent contractors.
- Many countries lack comprehensive policies that provide pensions, health coverage, and job security for gig workers.
- While gig work offers flexibility to companies, it often leaves workers financially unstable.
- Some governments are beginning to introduce measures to address the social security concerns of gig workers.
- Certain platforms offer voluntary benefits, but these are inconsistent and insufficient for long-term financial security.
- The lack of unemployment benefits exposes gig workers to significant economic risks during job losses or financial crises.

- Women and marginalized communities in the gig economy face heightened challenges in securing social security.
- Self-financed social security schemes are available, but low participation rates persist due to financial limitations.
- Nations such as the UK, India, and the EU are taking steps to enhance protections for gig workers.
- A global initiative is necessary to establish a standardized framework that ensures fair social security for gig workers.

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