



SOCIO-ECONOMIC PROFILE AND AWARENESS OF INSURANCE INCLUSION AMONG GIGWORKERS IN THE CITY OF MADURAI - AN EMPIRICAL STUDY

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Abstract

The term Gig workers typically refer to individuals who undertake these jobs on a flexible basis, often without a formal employer-employee affiliation. Many gig workers normally remain long hours, extreme work, uneven pay, and frequently no benefits for the future. Strong labour rights like guaranteed social security, overtime, and minimum wage are absent in gig work. These conditions often limit financial stability, making insurance awareness and uptake challenging.

Given the unique characteristics of gig work, there is a significant need for tailored life insurance solutions. Many gig workers lack employer-provided insurance and must rely on self-purchased policies (International Labour Organization [ILO], 2021)¹. Therefore, awareness among the Gig work must be created. The gig workers in Madurai City includes individuals involved in informal employment, such as full time, part time, seasonal and occasional gig workers. Therefore, this research paper aims to explore the socio-economic determinants of the gig workers and their awareness regarding insurance, that protects from the risks, they are facing. Data was gathered from 300 respondents in Madurai City through the simple random sampling method. The analysis revealed that currently, there is a noticeable growth in awareness among the gig workers because of their nature of work and there is a potential market in the future for the insurers.

Key Words- Gig Workers, Life Insurance, Insurance Inclusion.

1. Introduction

In essence, the "gig economy boom" describes a significant and ongoing transformation of the labour market, facilitated by technology, that emphasizes flexibility and short-term, task-based work. A report by research group expects that Gig economy is expected to rise by 90 million jobs in next one decade and increase will be higher in low level skilled and high-level skilled Gig workers. Freelancers hold 24 percentage of Global Gig Economy.

According to the Niti Aayog Report as on 2020-2021, there were approximately 7.7 million gig workers and is expected to increase to 23 million by 2029-2030. The workforce under Gig economy has been growing and the Union Budget 2025 has extended recognition and support to Gig workers. The budget introduces a unique identity card for gig workers, giving them recognition under labour framework. This ID will be linked to their e-shram registration, enabling them to access benefits, financial services and employment opportunities seamlessly. Registration under e-shram is mandatory for all gig workers not only enable them employment opportunities but also social security benefits such as old age provision,

¹ International Labour Organization. (2021). World employment and social outlook 2021: *The role of digital labour platforms in transforming the world of work*. International Labour Office.

insurance etc., The rise in Gig economy has opened new opportunities for Life Insurance industry to serve the underserved people.

1.1 Definition of Gig workers

The definition of Gig workers are the individuals engaged in short-term flexible jobs. Many gig workers are informal — not classed as traditional employees. They often include pickers and packers, Delivery Executives, Electricians, Carpenters, Influencers, Independent consultants, Administrative Assistants, Tutors, content writers, Graphic Designers etc., often facilitated by digital platforms.

1.2 Growth of the Gig Workforce

India's gig and platform workforce is growing quickly, driven via digital platforms, urbanisation, and flexible work trends. Recent literature highlights the rapid expansion of the gig and platform-based workforce in India, reflecting structural shifts in the labour market. According to NITI Aayog (2022), India had approximately 7.7 million gig workers in FY 2020–21, concentrated mainly in sectors such as ride-hailing, food delivery, logistics, and freelance digital services. Subsequent estimates indicate a substantial increase in the size of this workforce. Drawing on industry and labour market assessments, Ghosh (2025)² reports that the number of gig workers rose to nearly 12 million by FY. The swift expansion of the gig economy has heightened academic and policy conversations regarding topics like income instability, insufficient employer-sponsored social security, and restricted access to insurance for gig workers. As a result, it has become crucial to comprehend the socio-economic conditions and insurance literacy of gig workers to create inclusive insurance and social protection systems in India.

1.3 Future projections

1. The gig workforce is expected to increase around 23.5 million by 2029–30³
2. Long-term estimates project up to 62 million gig workers by 2047, or about 15% of the non-agricultural workforce.⁴

This strong projected growth highlights huge potential demand for financial services like life insurance if awareness and inclusion improve.

2. Review of Literature

1. (Kässi & Lehtonvirta, 2018)⁵ Gig workers refer to individuals engaged in short-term, task-based, or freelance work arrangements that are typically characterized by flexible schedules, absence of long-term employment contracts, and income based on completion of specific tasks or “gigs.” These workers may obtain work through both digital and non-digital means and are generally classified as independent contractors rather than formal employees

²Ghosh, S. (2025, January 12). *India's gig economy in 2025: Growth, formalisation, and financial inclusion*. <https://www.livemint.com/money/personal-finance/indias-gig-economy-in-2025-growth-formalisation-and-financial-inclusion-explained-11753438649777.htm>

³NITI Aayog. (2022). *India's booming gig and platform economy: Perspectives and recommendations on the future of work*. Government of India. <https://www.niti.gov.in/sites/default/files/2023->

⁴VV Giri National Labour Institute (VVG NLI). (2025). *Gig and platform workers: Vision 2047*. Ministry of Labour and Employment, Government of India.

⁵Kässi, O., & Lehtonvirta, V. (2018). Online labour index: Measuring the online gig economy for policy and research. *Technological Forecasting and Social Change*, 137, 241–248. <https://doi.org/10.1016/j.techfore.2018.07.056>

2. International Labour Organization [ILO] (2021)⁶ Platform workers are a sub-category of gig workers whose work is mediated through digital labour platforms or mobile applications. These platforms act as intermediaries by matching workers with customers, managing payments, and often influencing work conditions through algorithms. Despite their economic dependence on platforms, such workers are usually not covered by formal employment-based social security or insurance schemes.

3. (Government of India, 2020)⁷ (ILO, 2021)⁸

In the present study, the term platform-based gig workers are used to denote individuals who perform income-generating activities through digital platforms such as ride-hailing, food delivery, and service apps, while remaining outside traditional employer–employee relationships. Due to their informal and non-standard employment status, these workers face limited access to insurance and social protection mechanisms.

4. (NITI Aayog, 2022)⁹ Several digital labour platforms in India have partnered with insurance providers to offer group health and accident insurance to their workers. These platform-based insurance schemes are generally subsidised by the platforms and involve minimal documentation, thereby improving insurance access among gig workers (International Labour Organization [ILO], 2021).

5. (World Bank, 2019).¹⁰ The scope for life insurance among gig workers includes coverage for medical emergencies, accidents, disability, and income protection in case of illness or injury. Addressing these needs is crucial for financial security, especially since gig workers are more vulnerable to financial hardship due to the absence of stable employment benefits (World Bank, 2019).

3. Scope for the Study

India's Code on Social Security (2020) now formally defines gig and platform workers and allows for tailored social security schemes including life cover, disability cover, health benefits, etc. However, implementation and complete coverage are still evolving, and many workers remain outside formal protections. Therefore, awareness regarding insurance among the gig workers This study emphasizes the importance of insurance as a potent mechanism to bridge the gap between gig workers and insurers. Informal occupations form a significant proportion of workforce in a rapidly urbanising landscape like Madurai.

4. Objectives

1. To study about the socio-economic profile of gig workers.
2. To assess the level of insurance inclusion among gig workers.

5. Hypothesis

⁶International Labour Organization. (2021). *World employment and social outlook 2021: The role of digital labour platforms in transforming the world of work*. International Labour Office.

⁷Government of India. (2020). *Code on Social Security, 2020*. Ministry of Labour and Employment.

⁸International Labour Organization. (2021). *World employment and social outlook 2021: The role of digital labour platforms in transforming the world of work*. ILO.

⁹NITI Aayog. (2022). *India's booming gig and platform economy: Perspectives and recommendations on the future of work*. Government of India.

¹⁰World Bank. (2019). *The future of work: Regional perspectives*. World Bank

The hypotheses were formulated to examine the determinants of insurance awareness and its influence on the prospects of life insurance business among gig workers.

H₀: There is no significant association between socio-economic factors and the level of awareness of insurance inclusion among platform-based gig workers.

H₁: There is a significant association between socio-economic factors and the level of awareness of insurance inclusion among platform-based gig workers.

6. Research Methodology

The researcher has gathered data of individuals, who are all working as gig workers in the city of Madurai. The framed objectives will be met through the collection of both primary and secondary data. Primary data was obtained from individuals working in the informal sector in Madurai City, using a structured questionnaire, while secondary data was sourced from journals, magazines, books, the Insurance Regulatory and Development Authority of India (IRDAI), and company websites. The analysis of data is conducted using SPSS package. The data collected is analysed with the help of statistical tools such as percentage analysis and chi-square test.

Table 1-Demographical Details

	Frequency	Percent
Type of Employment		
Occasional gig work	54	18.0
Seasonal gig work	99	33.0
Full time gig work	42	14.0
Part time gig work	105	35.0
Total	300	100
Educational qualification		
Graduate	96	32.0
Up to HSC	120	40.0
Below SSLC	40	13.3
others	44	14.6
Total	300	100
Income Level		
Below Rs.10,000	137	45.7
Rs.10,001 -20,000	99	33.0
Rs. 20,001 - 30,000	28	9.30
More than Rs.30,000	36	12.0
Total	300	100
Level of Occupational Risk		
Low risk	108	36.0
Moderate risk	126	42.0
High risk	066	22.0
Total	300	100
Sources of Awareness		
Through gig platform (Swiggy, Zomato, Uber, Ola, etc.)	96	32.0

Self	54	18
Friends/relatives	63	21
Employer/platform	42	14
Advertisement/social media	45	15
Total	300	100

Sources: Primary Data

Table 1 reveals that most of the respondents belong to the seasonal gig workers (33%) and part time gig workers (35%). Most of the respondents (40%) are studied up to higher secondary school. Majority of the respondents are having less income, (below Rs.10,000). Most gig workers perceive their work as involving moderate occupational risk (42%), reflecting exposure to traffic, health, and income-related uncertainties. 36% consider their work to be low risk, often associated with platform-based digital or home-based services. 22% perceive high occupational risk, commonly linked to delivery, ride-hailing, and field-based gigs. The findings highlight the need for adequate accident and health insurance coverage among platform-based gig workers. Regarding sources of awareness,

1. Gig platforms (32%) are the most common source of insurance coverage, reflecting the growing role of platform-based group insurance.
2. Insurance agents (24%) continue to play a significant role, especially for traditional life and health policies.
3. Government schemes (22%) show substantial penetration among gig and unorganised workers.
4. Family members (14%) remain an important informal channel of insurance access.
5. Digital insurance apps (8%) have comparatively low adoption, indicating limited digital insurance literacy or trust issues.

7. Awareness of Insurance

Level Of Knowledge About the Micro Insurance Products of LIC among the gig workers in Madurai city is relating to the various factors. It can be measured only indirectly through their opinions or response to various factors. A scale by name “Level of Knowledge Scale ‘has been constructed to measure the level of knowledge of each respondent. This scale contains 5 items relating to various factors This scale has a maximum score of 25. Awareness level is measured on 5-point scale which contains responses such as “very well’, ‘well’, ‘moderately’,” A little’, and “Not at all”. The classification of respondents according to their level of knowledge is based on the “Mean + Standard Deviation” (Mean + S.D.) criterion. The mean score for knowledge about the policy is 17.28, with a standard deviation of 0.613. This statistical approach helps in categorising respondents into three distinct groups based on their scores such as high-level awareness, medium level awareness and low-level awareness

Table 2 - Awareness of Insurance among Gig workers

	High	Medium	Low	Total
Employment				
Occasional gig work	33	03	18	54
Seasonal gig work	35	44	20	99
Full time gig work	32	09	01	42
Part time gig work	11	39	55	105
Total	111	95	94	300

Educational qualification				
Graduate	53	15	28	96
Up to HSC	54	28	38	120
Below SSLC	17	13	10	40
others	15	20	09	44
Total	139	76	85	300
Monthly Income				
Below Rs.15,000	45	43	49	137
Rs.15,001 -20,000	57	20	22	99
Rs. 20,001 - 25,000	10	09	09	28
More than Rs.25,000	17	10	09	36
Total	129	82	89	300

Sources: Primary Data

Table 2 stated that regarding employment, occasional gig workers have high level of knowledge, a greater number of seasonal gig workers have medium knowledge, full time gig workers have high level of knowledge and part time gig workers have low levels of knowledge regarding insurance.

Regarding educational qualifications of the gig workers, all respondents are having high levels of knowledge. In the category of ‘Below SSLC’, respondents are having various level of knowledge.

Regarding the monthly income earned by the respondents, results revealed that higher the income, higher knowledge they possess. Those who earns less than Rs.15,000 as monthly income are having low level knowledge, but others are having high level of knowledge.

Table 3- Chi-Square Test

	Value	df	Asymp. Sig (2-sided)
Employment	72.876	6	.000
Educational qualification	7.585	6	.270
Monthly Income	82.449	6	.000

Sources: Primary Data

Table 3 revealed that there is a significant association between Employment and awareness of insurance. But there is no significant association between Educational Qualification and awareness of insurance. Education level does not influence insurance awareness in sample. This means that any difference observed in data is likely due to random chance, not because education truly affects awareness. Regarding monthly income earned by the gig workers, results revealed that there is a significant association between Monthly income and awareness of insurance.

8. Conclusions and Suggestions

Many gig workers are the main providers of income for their families and have dependents to support. Life insurance serves to ensure that dependents won't be left penniless in the event of an unanticipated circumstance. Life insurance can be a crucial component of business continuity planning for gig workers.

People who are aware of insurance can focus more on their work and perform better. Results revealed that as most of the respondents are seasonal and part time gig workers, they earn only minimum income.



Even then they are having awareness about the insurance. Insurance caters specifically to the vulnerabilities of these groups, providing a financial safety net against unforeseen difficulties.

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