

The Gig economy and its influence on labour laws, employment structure and economic stability

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Abstract: *This work investigates the challenges and social protection arising from the rapid expansion of the gig and platform economy, explicitly focusing on platform workers. This integrated approach enhances strategic planning and decision-making for analyzing that using the integrated framework of PESTEL and SWOT analysis. The analysis enhances strategic planning and decision-making. Internal strengths can leverage external opportunities, how external threats might exacerbate internal weaknesses, and so on. SWOT and PESTLE analyses are crucial for contemporary businesses as they provide comprehensive insights. These analyses complement each other, offering valuable perspectives. They prove highly beneficial for thoroughly assessing any upcoming project. SWOT and PESTLE frameworks help businesses make informed decisions, identify opportunities, effectively maintain innovation, and mention areas where they can establish a competitive edge. It provides a broader view of the environment. The Key findings are the combined usage of SWOT and PESTEL analysis into one single planning or strategic framework helps to analyze the effects of deregulation on established businesses in a better way. This method will help to highlight opportunities available in an industry, such as those created by regulatory changes.*

Keywords: Platform workers; PESTEL; SWOT analysis; Integrated approach

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1. Introduction

The gig economy offers benefits to both organizations and individuals. The boom in the sector has prompted many organizations to modify their employment strategies to accommodate gig workers [1]. It is generating 1.6 billion gig workers offline and online working providing 200 billion dollars in gross volume of sales. It says a gig worker is a person who works such activities as traditional employment. Studies show that nearly 80% of individuals who are working in the gig economy are satisfied more compared to those in traditional employment [2].

1.1. Constructing a Legal Framework for Gig Economy Empowerment: The employees deal with very sensitive data. Handling sensitive data strong legal framework is required for data protection. Protecting those data is required. Mandatory risk-covered insurance should be there. The need for an equitable sharing of social protection. Health and safety at work [3]. Maternity protection, accidental insurance, adequate leave policies, unemployment insurance, retirement benefits, long-term savings or a national pension scheme, and health coverage should be there [4]. Protect the employees from discrimination practices in hiring, job allocation, and compensation, Unionisation can address the workplace issue. Sustainable earnings should be there.

1.2. Global perspectives on social security inclusion for Gig economy participants: In September 2021, in Singapore, the Advisory Committee on Platform Workers was set up to provide adequate financial protection for workers who face any work injury during their work and other retirement benefits [5]. The city govt said that they would introduce injury insurance and pension coverage to the delivery and ride-hailing people from 2024 onwards. In Asia, the government is putting more emphasis on platform companies to provide workers with safety and protection [6]. Malaysian Govt, the National Forum, the Gig Industry Career Framework, held on 17 July 2023, is a positive step in bringing together gig activists and platform providers to discuss mutual responsibilities in looking after the welfare of both parties [7]. During the second tabling of Budget 2024 on 13.10.2023, the Malaysian government reaffirmed its commitment to enhancing the welfare of gig workers by addressing initiatives designed to expand the social protection afforded to gig workers [8].

1.3. Indian perspective on social security inclusion for Gig economy participants: In July, Rajasthan passed a bill to levy an additional fee on internet transactions on platforms such as Amazon, Zomato, and Urban Company. The aim is to offer financial advantages to gig

workers, marking the inception of such a program in India [9]. Similar initiatives are also underway in states like Karnataka and Tamil Nadu, focusing on extending benefits, formalizing registration for gig workers, and addressing their concerns. According to the Ministry Of Human Resources, the gig industry has huge potential and needs attention and support. Therefore, gigworkers need to be given appropriate social support. Through Act 789, the government has implemented a social security mechanism that includes gig workers by launching the Skim Keselamatan Sosial Pekerjaan Sendiri (SKSPS) through PERKESO. In addition, the ministry is drafting a specific guideline for gig operators (p-hailing) and platform provider companies that includes six (6) main elements, which are income, social protection, awareness on aspects of occupational safety and health, freedom of work, speech and negotiation, training and guidance for career advancement and turnover mechanisms [10].

1.4. Code on Social Security Bill: The Social Security Bill of 2020 extends benefits such as maternity support, life and disability insurance, pension plans, provident funds, and employment injury coverage to platform workers. While these workers are now eligible for these benefits, their provision is not assured. The bill allows the Central government to introduce welfare schemes addressing personal and workplace security concerns periodically, but these benefits are not guaranteed. The central government, platform aggregators, and workers share the responsibility for implementing these basic welfare measures [11]. However, the bill does not specify which stakeholder is accountable for providing a specific level of welfare benefits. Nine labor laws relating to social security are now in one integrated code.

1.5. Registration on e Shram portal: The Ministry of Labour & Employment has launched the eShram portal to form a comprehensive national database for workers in the unorganized sectors, integrating Aadhaar's information. This initiative aims to enhance the employability prospects of these workers and facilitate the extension of social security benefits to them. The eShram portal represents the inaugural nationwide effort to compile information on unorganized workers. Spearheaded by the Central Government, this portal is a centralized repository of unorganized workers linked to Aadhaar credentials. Upon registration, individuals become eligible for a 2 Lakh of accidental insurance coverage in the Pradhan Mantri Suraksha Bima Yojana (PMSBY) in the future, all the social security benefits for unorganized employees will be maintained through this portal. In times of emergencies and crises like national ones, such as pandemics, this database can be utilized to assist.

Furthermore, it will serve as the primary platform for disbursing social security benefits as coordinated by both Central and State Ministries [12].

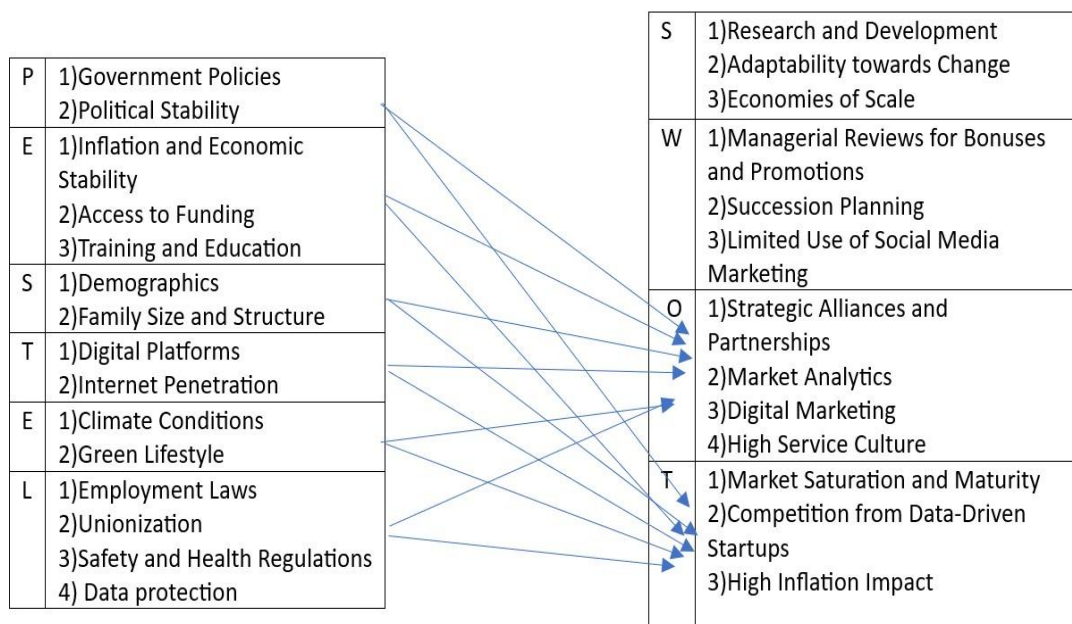
1.6. The integrated approach of PESTEL and SWOT: By aligning SWOT and PESTEL analyses, organizations can create more comprehensive and effective strategies that consider both internal capabilities (SWOT) and external environmental factors (PESTEL). This integrated approach enhances strategic planning and decision making [13]. Internal strengths can leverage external opportunities, how internal weaknesses might be exacerbated by external threats, and so on. Conducting SWOT and PESTLE analyses is crucial for contemporary businesses as they provide comprehensive insights. These analyses complement each other, offering valuable perspectives. They prove highly beneficial for thoroughly assessing any upcoming project [14]. Both SWOT and PESTLE frameworks help businesses make informed decisions, identify opportunities, effectively maintain innovation, and mention areas where they can establish a competitive edge. It provides a broader view of the environment.

2. Literature Review

Several authors employ strategic management techniques such as SWOT, PESTLE, and others to analyze various systems for strategic planning purposes. However, in many cases, the weights of the criteria are not specified. For instance, PESTLE analysis has been utilized in different contexts: to examine suborbital flight operations (Zahari A R, 2019), to classify weak signals for detecting threats and opportunities on the web (Garcia-Nunes P I, 2018), and to assess the environment of the renewable energy sector (Agyekum E, 2019). The integration of PESTLE and SWOT analysis was presented in a study by Islam F R (2017) focusing on Renewable Energy for Island Countries. Similarly, PESTEL analysis was employed to evaluate the situation of Polish transport enterprises (Strzelczyk M, 2019).

On the other hand, some authors specifically address challenges related to formulating SWOT factors. For example, SWOT analysis has been conducted in studies focusing on various topics such as railway freight transport (Ploywarin S, 2026), China's High-speed Rail (Ma H, 2025), development of city public transport strategies (Makarova I, 2017), automobile reverse logistics (Zhikang L, 2017), and analysis of underground pedestriansystems (Cui J, 2018).

Combining PESTEL framework with SWOT analysis in Gig Economy



Combining the PESTEL framework with the SWOT analysis offers a holistic perspective on the external factors influencing the Gig Economy. In terms of political factors, stable government policies and political conditions can serve as strengths, fostering expansion and attracting investments. However, weaknesses may emerge if political decisions impact labor laws, potentially affecting the working conditions of gig workers adversely [15].

Economically, the Gig Economy benefits from strengths such as economics liability and access to funding, contributing to overall growth. Opportunities arise in forming strategic alliances, but the threat of high inflation poses challenges. Socially, demographics and family structures provide a skilled workforce, and opportunities for building a high-service culture exist. Yet, social factors like market saturation can impede growth [16].

Technological strengths, including advancements in digital platforms and internet penetration, enhance the gig economy's operations. However, weaknesses like limited use of social mediemarketing may hinder optimal penetration. Embracing a green lifestyle aligns with environmental opportunities, but threats like climate conditions may disrupt gig work. Legal strengths in adherence to employment laws and safety regulations create a positive work environment, but challenges in succession planning and external hiring posepotential threats [17].

3. SWOT analysis

In the SWOT analysis, the gig economy exhibits strengths in research and development, adaptability towards change, and economies of scale, contributing to competitiveness. Weaknesses lie in areas like managerial reviews for bonuses and promotions, succession planning challenges, and limited use of social media marketing. The industry can leverage opportunities in strategic alliances, market analytics, digital marketing, and a high-service culture for growth while being mindful of threats like market saturation, competition from data-driven startups, and the impact of high inflation [18]. This integrated framework underscores the importance of strategic navigation and leveraging strengths to ensure sustainable growth and success in the dynamic gig economy.

It is as simple yet effective framework that helps organizations and individuals understand their internal and external factors.

➤ Strengths

Strengths help the thriving gig economy to adjust the distinguish and its completeness differentiation in the industry and its competitiveness. The main benefit enjoyed by the gig economy includes:

Innovation Through Research and Development: In the gig economy, leveraging robust infrastructure, a skilled workforce, and structured new product development processes is pivotal for gaining a competitive edge through innovation (Kim, 2002). By conducting thorough market and consumer research, the gig economy identifies emerging buyer habits and consumption trends. This enables the customization of marketing strategies and reveals opportunities for new product development.

Agility in Response to Change: The gig economy demonstrates adaptability to adapt to changing external conditions and environmental shifts to maintain competitiveness and leadership status (DuBrin, 2013). Utilizing extensive market and consumer data enables informed decision-making. Moreover, the integration of automation, AI, and machine learning enhances organizational efficiency and effectiveness (Joyce, 2022).

Achieving Economies of Scale: The gig economy has effectively scaled its operations, thereby controlling business costs while achieving high levels of profitability (Stead & Stead, 2014). This success is reflected in substantial sales revenue and elevated job satisfaction among employees, contributing to sustained high performance and the establishment of a strong brand with positive associations (Wunder, 2019; Moorthi, 2009).

➤ Weaknesses and Challenges

However, several weaknesses impede the gig economy's ability to capitalize on external opportunities. Managerial reviews solely determine bonuses and promotions, which often leads to nepotism and favoritism (Machado, 2019). Reliance on external hiring for succession planning increases business costs and training expenses (Valeri, 2021). Additionally, underutilization of social media marketing limits market penetration and fails to establish meaningful connections with target consumer audiences.

➤ Opportunities for Growth

To leverage external opportunities, the gig economy can pursue strategic alliances and partnerships to facilitate expansion while managing expenses (Stead & Stead, 2014). Utilizing market analytics, Machine learning, and AI to identify the main growth areas and consumer trends, guiding focused business decisions. Embracing digital marketing enhances audience reach and penetration and fosters engaging consumer relationships [19]. Moreover, prioritizing a high-service culture throughout the consumer journey can differentiate the gig economy from competitors and attract new consumer groups with offers and discounts.

➤ Threats to Address

Market saturation and maturity pose challenges for growth as competitors engage in price wars within a mature market landscape (Mebert & Lowe, 2017). Furthermore, being outperformed by data-driven startups underscores the importance of leveraging and Utilizing market analytics to make well-informed decisions and foster business growth (Malik, 2018). Additionally, high inflation rates impact sales and profitability, necessitating proactive measures to mitigate adverse effects on revenue stability.

4. A PESTLE analysis of the gig economy

The main factors that affect external to the gig economy's working conditions are, Political, Economic, Sociological, Technological, Legal, and Environmental.

➤ Political Factors:

Political stability and government policies impact the gig economy. Legislation regarding gigworkers' rights, social protection measures, and political stability can significantly affect the working conditions for women in the gig economy. Political decisions regarding labor laws, minimum wages, and social security measures directly impact the working conditions of gigworkers. Policies promoting equal opportunities, addressing gender biases, and providing support for work-life balance contribute to a more favorable environment for gig workers.



Government stability will allow businesses like the gig economy to expand regionally and internationally. The stable government policy government will attract investors for their businesses and companies that will grow and develop in the field of infrastructure as well as flourish the international image

➤ **Economic Factors:**

Economic conditions, inflation rates, employment rates, and overall economic stability play major roles. Income levels, job opportunities, and economic structures make economic factors pivotal. Economic forces influencing demand and supply for gig services can impact the availability of opportunities for women. Limited access to funding may hinder entrepreneurial opportunities for the gig economy. Economic factors such as uncertainty in income, absence of health insurance, and lack of retirement benefits contribute to economic insecurity in gig work. Training programs, access to education, and mentorship opportunities can enhance their capabilities and success in the gig economy. A medium level of inflation will help the business to develop and work positively in increasing the confidence level of consumers and their spending trends. Because of that, the economy will develop and increase the disposable income of the workers. This loan would be used for business loans used for purposes of growth and development; the trend of the consumer can be influenced positively through the quality of products and the marketing strategies. Higher consumer trends can be influenced by product quality and marketing strategies

➤ **Social Factors:**

A younger demographic in the gig economy ensures a larger pool of skilled and educated workers, enriching the talent reservoir. With heightened consumer consciousness, individuals are more mindful of their purchasing habits and preferences. This awareness fosters a preference for quality products, as consumers are well-informed about product claims and performance, influencing repeat purchases.

Family Size and Structure: The composition and size of families dictate the frequency and types of purchases made. While parents are typically the primary decision-makers, they consider input from their children. Influenced by marketing strategies, store reviews, recommendations, and peer opinions, these parents are increasingly inclined toward health and wellness trends [20].



➤ **Technological Factors:**

Advancements in technology have a profound impact on the gig economy. The availability of digital platforms, the reach of virtual work, and the use of mobile apps affect how access and engage in gig work, providing both opportunities and challenges. Certain gig tasks incorporate automation and artificial intelligence. Recently, there has been an increase in technical development and advancement. Enterprises such as those within the gig economy are integrating technological advancements and innovative practices to enhance operational efficiency and effectiveness.

Internet penetration: Because of internet access, the nation and its consumer market will benefit, which is extensively utilized for personal, social, and professional purposes. Nearly all individuals possess smartphones for internet connectivity, along with computers and laptops. This broad usage of the internet signifies an improvement and educates the population, which is advantageous for the gig economy. With the high internet penetration, the gig economy directly engages with consumers for marketing, promotions, and feedback collection, thereby enhancing quality, delivery and facilitating strategic communications. Moreover, businesses increasingly utilize social media for consumer interaction, data gathering, feedback collection, and promotional activities. The increased investment and research in this area have fostered innovation, provided overall growth, and established a competitive platform in the industry and the global market.

➤ **Environmental Factors:**

While indirect, environmental considerations play a role. The gig economy may be affected by climate conditions, sustainability practices of gig platforms, and the environmental impact of the gigs they engage in, such as transportation-related emissions. Natural disasters can disrupt gig work. It can be challenging during extreme weather, impacting the safety and comfort of female gig workers. Environmental factors like traffic congestion, including roads and public spaces, pollution, and inadequate public transportation can affect commuting to gig locations. There is a rise in the focus on environmental sustainability and recycling. The recognition of the need for proper disposal methods for recycling products. The demand for recycled products is increasing. The country is introducing regulations for controlling waste management.

➤ Legal Factors

Legal frameworks, including employment laws, anti-discrimination regulations, and worker protection laws, shape the rights and working conditions in the gig economy. The classification of gig workers, data protection laws, and other legal aspects are critical. Legal provisions for maternity, child birth, or family responsibilities. Adequate leave policies contribute to work-life balance. Legal recognition of gig workers' rights to social security benefits, including unemployment insurance, retirement benefits, and health coverage, is essential for their financial security and well-being. Unionization can empower female gig workers to address workplace issues collectively. There are regulations on the health and safety of the employing person in their workplace. Esteemed organizations and institutions frequently engage with businesses to verify the implementation of safety protocols and precautionary measures in the workplace. Providing safety and health encompasses not only the physical welfare but also the mental and emotional well-being of workers. Employment laws: Regulations in the countrywide regulations demand that businesses form legal contracts of employment. The employability contracts will provide a good relationship between all people involved. That way it can reduce misunderstandings, and the HR department regularly conducts workshops and training sessions for employees to understand and engage. This will help them understand employment laws and legal formalities. There is an increasing number of immigrants and businesses from the country. Hence, it operates at multiple offshore locations. The company adheres to anti-discrimination regulations throughout its operations, spanning from recruitment to promotion. It mandates that all employees participate in regular diversity training and workshops to prevent discriminatory and biased behaviors.

5. Conclusion

The combined usage of SWOT and PESTEL analysis into one single planning or strategic framework helps to analyse the effects of deregulation on established businesses in a better way. This method will help highlight opportunities available in an industry, such as those created by regulatory changes. The PESTEL factors are uncontrollable. SWOT will help you to understand the positive and negative issues surrounding a business based on the information obtained from the PESTEL analysis. While SWOT analysis primarily relies on brainstorming, PESTEL analysis derives greater benefit from rigorous data and research. Often, opportunities inherent in both SWOT and PEST analyses are disregarded when conducted in isolation. Typically, companies employ both methods concurrently, thereby enhancing their strategic toolkit for improving performance or exploring new business avenues. Moreover, employing both strategies enables managers to assess a business's position vis-à-vis competing firms in the industry while also considering prevailing market trends.



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