

The Gig Economy and Its Implications for Employment in India

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Abstract: *The gig economy, characterized by flexible, on-demand, and platform-mediated employment, has emerged as a major force reshaping labour markets across the world. In India, the rise of platforms such as Uber, Ola, Swiggy, Zomato, Urban Company, and a growing base of freelance digital workers has led to a significant transformation in employment structures. While the gig economy has created opportunities for supplementary income, entrepreneurship, and flexible work, it has also given rise to challenges such as income insecurity, lack of social protection, and an erosion of traditional employer-employee relationships. This paper examines the growth and dynamics of the gig economy in India, its implications for employment generation, and the socio-economic challenges it poses. Using secondary data from NITI Aayog, ILO, and various government and academic sources, this study highlights the dual role of the gig economy-as a driver of innovation and economic inclusion, and as a sector requiring urgent policy interventions to safeguard workers' rights and livelihoods.*

Keywords: Gig Economy, Employment, India, Labour Market, Digital Platforms, Informal Sector, Social Security

1. Introduction

The Indian labour market has been undergoing a fundamental transformation in the last two decades, with the emergence of the gig economy playing a pivotal role. Traditionally, employment in India was dominated by agriculture, manufacturing, and services, with a significant share of workers engaged in the informal sector. However, the rise of digital platforms and mobile technology has accelerated the spread of short-term, flexible, and task-based employment, commonly referred to as gig work.

The gig economy is broadly defined as a labour market in which individuals are engaged in temporary, flexible jobs, often mediated by digital platforms that connect workers to clients. It includes a wide range of activities-from delivery services and ride-hailing to freelance programming, writing, and design. According to a NITI Aayog report (2022), India had around 7.7 million gig workers in 2020–21, a number projected to rise to 23.5 million by 2029–30, accounting for 4.1% of total employment.

The growth of the gig economy in India is driven by several factors:

- Technological penetration: the availability of smartphones and affordable internet.
- Changing consumer behavior: increasing reliance on on-demand services.
- Employment pressures: limited opportunities in the formal sector pushing workers toward flexible jobs.
- Youth demographics: a large, digitally literate population seeking flexible income sources.

While the gig economy contributes to employment generation and provides livelihood opportunities for millions, it also creates challenges of precarious work conditions, income instability, lack of collective bargaining, and absence of social security. The Indian experience reflects both the promise and pitfalls of gig

work, raising critical questions for policymakers, businesses, and workers.

Objectives of the Paper:

1. To examine the growth of the gig economy in India and its contribution to employment.
2. To analyze the socio-economic advantages and challenges of gig work.
3. To study case examples from India's platform economy.
4. To assess policy measures taken to support gig workers.
5. To suggest recommendations for ensuring sustainable and inclusive growth of the gig economy.

2. Literature Review

The gig economy has been the subject of growing scholarly interest, with research spanning economics, sociology, and public policy. Internationally, scholars such as De Stefano (2016) and Friedman (2014) have discussed the emergence of 'platform capitalism,' highlighting both its potential for innovation and its risks of exploitation. In the Indian context, studies by NITI Aayog (2022), KPMG (2021), and ILO (2020) have emphasized the rapid growth of gig work, noting its dual role in enhancing economic inclusion while exposing workers to vulnerabilities.

Research shows that while gig platforms create job opportunities, particularly for youth and low-skilled workers, they also blur the boundaries between formal and informal labour. Gig workers often lack access to minimum wages, health insurance, retirement benefits, and collective bargaining rights. This places them in a precarious situation, despite contributing significantly to the urban service economy.

The literature highlights three recurring themes:

1. Gig work as an enabler of employment and entrepreneurship.

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2. Gig work as a source of precarious employment with weak labour protections.
3. The urgent need for regulatory frameworks to balance flexibility with fairness.

3. Methodology

This research adopts a qualitative and descriptive methodology based on secondary data sources. Reports from NITI Aayog, ILO, World Bank, and government documents were analyzed to understand the scale and implications of gig work in India. Academic articles, policy briefs, and case studies were reviewed to evaluate both the benefits and challenges associated with gig employment. Comparative insights were drawn from global experiences to contextualize the Indian scenario.

The study focuses on three sectors where gig work is highly visible: ride-hailing (Ola/Uber), food delivery (Swiggy/Zomato), and freelance digital services. This sectoral analysis provides insights into the diversity of gig work and its socio-economic impacts.

4. Analysis and Discussion

The gig economy in India is expanding rapidly, reshaping the employment landscape. The rise of gig platforms has created millions of jobs in urban areas. However, these jobs are often characterized by irregular income and lack of job security.

Economic Contribution: According to NITI Aayog (2022), gig workers contributed around 1.25% to India's GDP in 2020–21. The sector is expected to expand as digital penetration deepens and consumer reliance on on-demand services grows.

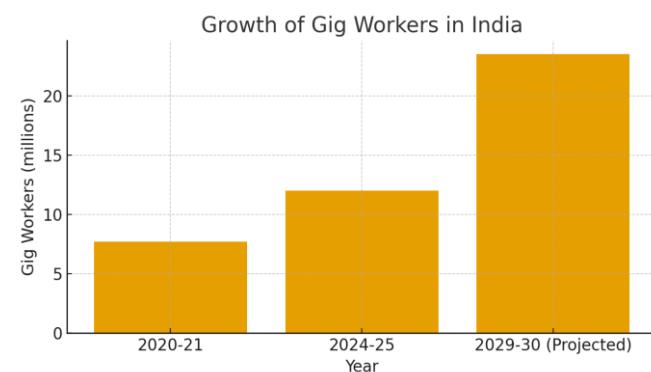
Demographic Trends: A majority of gig workers are young, with 80% below the age of 35. Many are first-time job seekers who view gig work as a stepping stone, while others rely on it as their primary livelihood.

Table 1: Demographic Distribution of Gig Workers

Category	Percentage (%)
Below 35 years	80
35 years and above	20

Table 2: Growth of Gig Workers in India

Year	Gig Workers (millions)
2020–21	7.7
2024–25	12.0
2029–30 (Projected)	23.5



Challenges: The most pressing issues faced by gig workers include income volatility, absence of social protection, and weak bargaining power. Women gig workers also face additional barriers, including safety concerns and wage gaps.

Policy Concerns: While India has introduced the Code on Social Security (2020), its implementation remains limited. There is a growing need for mechanisms that balance the flexibility of gig work with adequate protections.

Case Studies from India's Platform Economy

- Ola and Uber:** Ride-hailing platforms employ hundreds of thousands of drivers across Indian cities. While drivers enjoy flexible working hours, they face challenges of fluctuating incomes due to fuel price hikes, commission cuts, and algorithmic control.
- Swiggy and Zomato:** Food delivery platforms have become one of the largest employers of urban youth. Delivery partners often work long hours to earn incentives, but they lack access to health insurance and accident coverage.
- Freelance Digital Services:** Platforms like Upwork, Fiverr, and Freelancer connect Indian professionals to global clients. This sector offers relatively higher earning potential but is limited to digitally skilled workers, thereby excluding large sections of the workforce. Policy Measures in India.

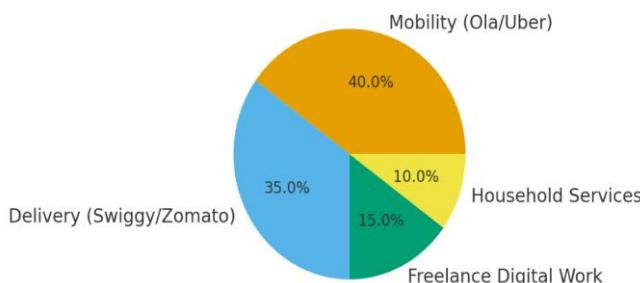
The Government of India has recognized the significance of the gig economy and has initiated measures to provide social security to gig workers. The Code on Social Security (2020) for the first time includes gig and platform workers within its ambit, mandating contributions from aggregators towards welfare schemes.

NITI Aayog's report (2022) also recommends skill development programs, financial inclusion initiatives, and access to social protection for gig workers. However, implementation challenges persist, especially regarding enforcement and funding mechanisms.

Table 3: Sector-wise Share of Gig Workers

Sector	Percentage (%)
Mobility (Ola/Uber)	40
Delivery (Swiggy/Zomato)	35
Freelance Digital Work	15
Household Services	10

Sector-wise Distribution of Gig Workers



Comparative Global Gig-Economy Data

Table 4: Gig / Freelance Workforce - Selected Countries (2024/2025 Estimates)

Country	Approx. Number of Gig / Freelance Workers	Approx. Share of Workforce (%) / Gig-Work Participation Rate
United States	76.4 million freelancers (2025) DemandSage+1	36% of workforce engaged in freelance/gig work (2024–25) Market.biz+1
United Kingdom	4.4 million freelancers (2025 est.) Genius+1	(Exact share varies; of UK “gig-work participants” population; overall freelance count) Genius+1
China	(Large but hard-to-pinpoint estimates; many “platform workers”, especially in delivery & services) BCG Global+1	Recent studies note rising gig participation among younger workers, driven by flexibility & low-barrier entry. ScienceDirect+1
Global (all countries combined)	435 million online gig / freelance workers (2025 global estimate) DemandSage+1	Global gig/online-work share estimated at 4.4%–12.5% of labour force (varies by country & definition) DemandSage+1

* “Gig / Freelance / Independent / Platform-based” includes all types: online freelancing, ride-hailing, delivery, on-demand services, contract work, etc. Definitions vary across studies.

5. Recommendations

1. Strengthening Social Security: Establishing a universal social security system for gig workers.
2. Minimum Wage Policies: Implementing wage floors to protect workers from exploitation.
3. Collective Bargaining: Encouraging worker associations and unions for gig workers.
4. Skill Development: Expanding training programs for digital and technical skills.
5. Gender Inclusivity: Ensuring safe working conditions and equal pay for women gig workers.
6. Regulatory Framework: Developing a balanced regulatory environment that safeguards workers while enabling platform innovation.

6. Conclusion

The gig economy in India is both a driver of economic opportunity and a source of new challenges. It has created

Challenges and Opportunities

Challenges:

- Precarious work conditions with lack of job security.
- Absence of minimum wage guarantees.
- Lack of access to health care, insurance, and retirement benefits.
- Weak collective bargaining mechanisms.

Opportunities:

- Job creation for youth and underemployed populations.
- Flexibility for workers to choose tasks and working hours.
- Growth of women’s participation in the workforce.
- Potential for gig work to contribute to India’s digital and economic transformation.

millions of jobs, increased consumer convenience, and fostered digital entrepreneurship. However, the precarious nature of gig work demands urgent policy attention. Without robust social security frameworks and fair labour practices, the benefits of gig work may remain skewed towards platforms rather than workers. A balanced approach-embracing flexibility while ensuring protection-will be crucial for shaping the future of work in India.

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Author Profile

Ms. Anju Singh is an experienced school administrator and educator with a strong interest in public policy, labour studies, and socio-economic transformations in contemporary India. With a career of over three decades dedicated to improving educational ecosystems, she brings a practitioner's insight into how emerging economic structures influence society, especially young learners and working families. Her research focuses on the intersection of technology, employment, and human development, with particular emphasis on the gig economy, digital labour platforms, and the future of work. She has served as a resource person for national-level workshops in education and criminology and continues to contribute thought leadership to school communities, teacher forums, and policy dialogues. Ms. Singh is currently expanding her academic footprint through research articles and policy essays, aiming to bridge the gap between economic discourse and ground realities. She is also preparing multiple scholarly works for publication.

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