

A STUDY OF NEW INSIGHT AT GIG ECONOMY IN INDIAN SCENERIO

Dr. Rahul Kumar Mishra

Assistant Teacher
Basic Shiksha Parishad, Government of Uttar Pradesh

ABSTRACT

Over the past decade, India's gig economy has emerged as one of the most visible shifts in the way people work, moving from a niche alternative to a major feature of the labour market. In 2020 – 21, an estimated 7.7 million workers were engaged in gig and platform work, a number projected to grow to 23.5 million by 2029 – 30 as digital adoption deepens and demand for flexible talent rises. A supplemental income option has today become a critical pillar of employment across cities, towns, and semi-urban regions, supporting livelihoods from delivery partners and ride-hailing drivers to freelance designers, tutors, healthcare workers, and technology professionals.

Under Digital India, internet connections in India rose from 25.15 crore in 2014 to 96.96 crore in 2024, with 85.5% of households owning a smartphone. This surge in digital access has fueled the growth of the gig economy by connecting workers and employers. The rise of online businesses and startups creates demand for gig workers in logistics, delivery, marketing, and content creation. Consumers increasingly expect fast services, fueling opportunities in food delivery, ridesharing, and customer support and rising unemployment and a surplus of semi-skilled workers drive many to accept gig work as a source of income. NITI Aayog report estimates 7.7 million gig workers in India in 2020–21, projected to reach 23.5 million by 2029–30, mostly in medium-skilled jobs.

This paper tries to explore new insight of Gig economy in Indian scenario and analyze the prospect for same.

Key Words: PLFS, freelancers, Inclusive Growth, Gender Disparities

INTRODUCTION

Gig work refers to short-term, flexible, project-based jobs, often performed by independent contractors rather than traditional employees. These "gigs" can include tasks like driving for a ride-sharing service, delivering food, or taking on short-term contracts for professional services like writing or graphic design, and are frequently found through online platforms that connect service seekers with providers. Unlike traditional employment, gig workers are not typically entitled to benefits or protections like a fixed salary, paid time off, or health insurance.

As per section 2(35) of Code on Social Security, 2020, a gig worker is “a person who performs work or participates in a work arrangement and earns from such activities outside the traditional employer-employee relationship.”

They are usually freelancers or independent contractors, paid per task instead of regular wages. Examples include food delivery, ride-hailing, and online freelance services. Gig work, also called non-standard work, consists of income-generating activities outside of traditional, long-term, direct-hire employment.

The new Labour Codes of 2019 defines a gig worker as “A person who performs work or participates in a work arrangement and earns from such activities outside of traditional employer-employee relationship”. It is a labor market of short-term, flexible jobs often enabled by digital platforms.

Workers, as freelancers or independent contractors, are paid per task rather than through full-time contracts. Common activities include freelance services, food delivery, and digital work. The gig economy is a labour market based on short-term, flexible, and task-based work, often facilitated by digital platforms.

India's gig economy has surged to 12 million workers in FY 2024-25, driven by digital connectivity and urbanization. This shift marks a structural transformation in labor, with gig workers gaining recognition and improved access to credit, though challenges like income volatility remain. The Union Budget 2025-26 formally recognised gig and platform workers, extending social protection schemes to them. However, the Periodic Labour Force Survey (PLFS) still lacks a dedicated classification, creating a gap between policy intent and data clarity, which hampers inclusive and effective policymaking. The Union Budget 2025-26 formally recognised gig and platform workers, extending social protection schemes to them. However, the Periodic Labour Force Survey (PLFS) still lacks a dedicated classification, creating a gap between policy intent and data clarity, which hampers inclusive and effective policymaking.

CHARACTERISTICS OF GIG WORK

Flexible and project-based: Workers are not tied to a single employer and can work on various short-term projects or "gigs".

Independent: Gig workers are often classified as independent contractors, meaning they manage their own schedules, taxes, and business expenses.

Platform-enabled: Many gig jobs are facilitated through digital platforms that match customers with service providers.

Variable compensation: Workers are paid for each task or project, rather than receiving a fixed salary, which can lead to income instability.

Lack of traditional benefits: Without the typical employer-employee relationship, gig workers usually do not receive benefits like health insurance, paid leave, or retirement contributions.

FACTORS OF GROWTH:

Growing Digital Access: India has over 936 million internet users, with rapid growth in rural areas. Around 650 million smartphone users, supported by falling prices, are expanding access, strengthening the gig economy.

E-Commerce Boom: The growth of startups and e-commerce is driving demand for flexible gig workers in content creation, marketing, logistics, and delivery.

Rising Demand for Convenience: Urban consumers demand for quick services like food delivery and e-commerce boosts gig opportunities in delivery and customer support.

Low-Cost Labor: A surplus of semi-skilled labor, high unemployment, and weak social security drive many into low-paid gig work as a survival strategy.

Shift in Work Preferences: Younger generations favor flexibility and work-life balance, finding gig work attractive for its project-based, remote, and flexible options.

SIGNIFICANCE OF THE GIG ECONOMY:

Opportunities for Gig Workers: The gig economy provides flexible work that helps balance personal and professional life, especially benefiting women, while enhancing skills and earning potential.

Business Friendly: Businesses gain cost-effective, scalable labor and can hire skilled workers for short-term projects, boosting productivity without long-term commitments.

Economic Growth and Job Creation: By 2030, India's gig economy could support 90 million jobs, handle USD 250 billion in work volume, contribute 1.25% to GDP, and make up 4.1% of the workforce.

Inclusive Growth: Initially dominated by high-income professionals, the gig economy now offers alternative income and flexible jobs to entry-level workers and freshers, especially in growing Tier-II and Tier-III cities.

Future Potential with Technology Integration: The gig economy is set to drive economic growth and job creation, boosted by Artificial Intelligence (AI), predictive analytics, and digital innovation enhancing gig work's efficiency and reach.

Supporting the Informal Economy: Many gig workers in India, including drivers and delivery staff from informal sectors like agriculture, find additional work opportunities through platforms like Zomato and Swiggy.

MAJOR ISSUES AFFECTING THE GIG ECONOMY IN INDIA:

Lack of Legal Protections: Gig workers, classified as independent contractors, lack essential rights like minimum wage, paid leave, and health benefits, making them vulnerable to exploitation. Laws like the Contract Labour Act, 1970, and Employment Compensation Act, 1923, are inadequate for gig workers due to the flexible and decentralized nature of platform work.

Employment Instability: Gig workers face job insecurity as opaque algorithms and customer ratings control their work, pay, and employment, leading to unpredictable income. A 2024 NITI Aayog report found 90% of gig workers lack savings and face high vulnerability, while a 2023 Fair Work India study reported average monthly earnings of Rs 15,000–Rs 20,000 only. Inadequate Government Response: The Code on Social Security, 2020, mandates a National Social Security Board for gig workers' welfare, but slow implementation and weak enforcement leave most workers without benefits or protection.

The "Prisoners on Wheels" report found that 83% cab drivers work over 10 hours a day.

Gender Disparities: Women gig workers face more harassment, lack grievance support, and often experience underpayment, limited opportunities, and unsafe conditions, worsening gender inequality.

Timely Payments: Over 25% of gig workers face job dissatisfaction due to delayed payments, stressing the need for timely, transparent, and shorter payment cycles to avoid financial strain.

Algorithmic Control: The lack of transparency and accountability in algorithmic management creates a severe power imbalance, with workers facing arbitrary decisions like unexplained account deactivations and no clear recourse, exposing platform workers to exploitation.

Key Factors Driving the Gig Economy in India:

Expanding Digital Access: With over 936 million internet and 650 million smartphone users, especially in rural areas, affordable connectivity is enabling more people to join digital platforms for gig work.

E-Commerce and Startup Growth: The rise of startups and online businesses has increased demand for flexible workers in logistics, content, marketing, and delivery services.

Consumer Demand for Convenience: Urban consumers increasingly prefer quick services like food delivery and online shopping, creating more gig roles in delivery and support.

Availability of Low-Cost Labour: High unemployment, surplus of semi-skilled workers, and limited social security push many towards low-paid gig jobs as a livelihood option.

Changing Work Preferences: Younger workers are drawn to the flexibility, remote work, and work-life balance that gig work offers over traditional jobs.

MAJOR CHALLENGES FACING THE GIG ECONOMY IN INDIA:

Absence of Social Security Protections: The Code on Social Security, 2020 recognizes gig workers but fails to guarantee full labor rights, including regulated working hours, minimum wages, and dispute resolution. A 2024 NITI Aayog report shows 90% of gig workers lack savings and are vulnerable during emergencies. Existing schemes like Ayushman Bharat PM-JAY and e-Shram offer fragmented support, PM-JAY covers hospitalization, while e-Shram provides accident insurance but lacks income security, paid leave, or pensions, reflecting a gap in comprehensive social protection.

Income Instability & Exploitative Conditions: Gig workers in India earn Rs 15,000–Rs 20,000 per month, often below minimum wage. Over 70% face financial strain due to platform commissions. The "Prisoners on Wheels" report reveals 78% work over 10 hours daily under algorithmic pressure, causing physical and mental exhaustion.

Arbitrary Deactivation & Customer Harassment: Sudden account deactivations, reported by 83% of cab drivers and 87% of delivery workers cause income loss and insecurity. Additionally, 72% of drivers and 68% of delivery workers face customer misbehaviour, reflecting poor grievance redressal and lack of platform accountability.

REASONS FOR CHOOSING GIG WORK:

Flexibility and Autonomy: This is consistently cited as a top reason. Gig workers can set their own schedules, choose when and where they work (often remotely), and tailor their work-life balance to their personal needs, such as childcare, education, or other commitments.

Income Potential: Many individuals use gig work to earn extra money alongside a primary job or as their main source of income. Some specialized or highly skilled gig workers report earning more than they would in traditional employment by setting their own competitive rates and working on multiple projects simultaneously.

Independence and Self-Employment: The desire to be one's own boss, choose clients and projects, and work without direct supervision is a significant draw for many. This fosters an entrepreneurial mindset and a sense of control over one's professional life.

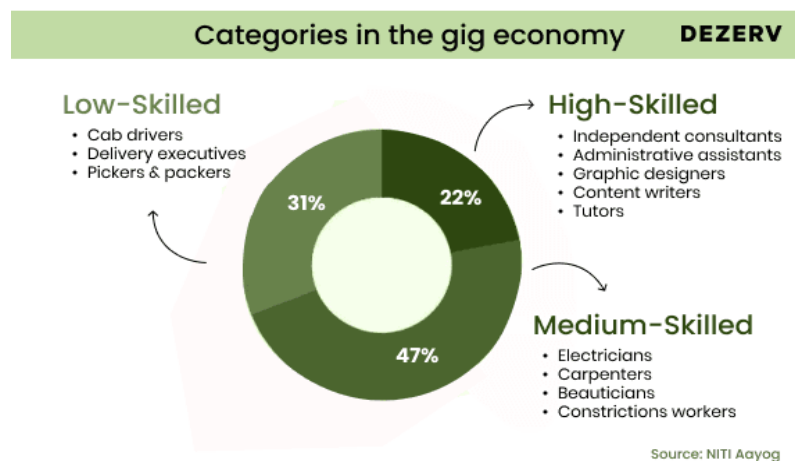
Variety of Opportunities and Skill Development: Gig work offers exposure to diverse projects across different industries, which helps in building a broad portfolio and acquiring new skills. This continuous learning helps workers stay competitive and adaptable in a rapidly evolving job market.'

Lower Barrier to Entry: For some, especially those new to the workforce, older workers, or those in between traditional jobs, the gig economy provides accessible employment opportunities that may have fewer formal entry requirements compared to permanent positions.

Changing Workforce Preferences: Younger generations, particularly Millennials and Gen Z, often prioritize freedom, control, and a good work-life balance over long-term job security, making the gig model an attractive option.

DIVERSION OF GIG WORKER IN INDIA

In India, the role of gig workers is diverse and spans various skill levels, such as low-skilled, medium-skilled, and high-skilled. Here's a breakdown of the types of gig work within each category.



Low-skilled gig workers:

These workers contribute to 31% of the gig workforce. They typically engage in manual labour or basic service-oriented tasks that do not require extensive training or specialised expertise.

- Delivery personnel for e-commerce, food delivery, or courier services
- Rideshare drivers
- Housekeeping and cleaning staff

Medium-skilled gig workers:

These workers contribute to 47% — a majority of the gig workforce. They possess a medium level of expertise and training in their respective fields but may not have extensive experience or advanced qualifications.

- Electricians, carpenters, plumbers etc.
- Beauticians, personal cooks etc.

- Sales and marketing professionals working on a freelance basis

High-skilled gig workers:

These workers constitute 22% of the workforce. High-skilled workers have advanced qualifications, extensive experience, or specialised skills in their respective domains. They often engage in more complex tasks and projects.

- Software developers, engineers, and data scientists
- Independent consultants in management, finance, and strategy
- Content writers, copywriters, and translators
- Graphic designers and web designers

NITI Ayog's report stated that trends indicate a gradual decline in the concentration of workers with medium skills, while the number of low-skilled and high-skilled workers is rising. Medium-skilled workers are anticipated to continue to dominate until 2030, but gig work opportunities for those with other skill levels will also emerge.

THE FUTURE OF THE GIG ECONOMY IN INDIA

The Economic Survey of India 2025-26, tabled in Parliament by Union Minister of Finance, Nirmala Sitharaman on January 29, 2026, pressed the need to reshape the gig economy, recognising the growing workforce and the increasing challenges it faces.

It underlined that, the “goal of gig-economy policy should be to reshape the terms so that workers exercise real choice rather than being pushed into gigs due to weak demand, skill mismatch, or the absence of a safety net”.

The document stated that workers in the gig sector have increased to 12 million in fiscal year (FY) 2025, from 7.7 million in FY 2021. The growth of 55 per cent is driven by smartphone penetration among over 800 million users and 15 billion UPI transactions per month.

According to NITI Ayog's report, this number is expected to balloon by 200%. India may have 2.35 crore gig jobs by 2030, offering a substantial opportunity for job seekers to capitalise on and adapt to the evolving work landscape.

There has been a 21.38% growth in demand over the last six months for skilled gig workers making more than INR 1.5 lakh per month, indicating a rising need for highly qualified gig experts, the rise of the gig economy in India has significantly changed the country's economic landscape, creating new opportunities for millions of workers. As the gig economy continues to evolve, businesses, workers, and policymakers need to adapt and find ways to harness the full potential of this burgeoning sector.

REFERENCES:

1. <https://www.downtoearth.org.in/economy/economic-survey-2026-indias-fast-growing-gig-economy-needs-an-overhaul>
2. <https://gigeconomydata.org/basics/what-gig-worker.html>
3. https://www.niti.gov.in/sites/default/files/2023-06/Policy_Brief_India%27s_Booming_Gig_and_Platform_Economy_27062022.pdf
4. <https://www.orfonline.org/expert-speak/the-future-of-the-gig-workforce-in-india>

5. https://www.researchgate.net/publication/383476399_The_Gig_Economy_in_India_Unpacking_the_Economic_and_Social_Implications
6. <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-the-gig-economy>
7. <https://hbr.org/2018/03/thriving-in-the-gig-economy>
8. <https://www.weforum.org/stories/2024/11/what-gig-economy-workers/>
9. <https://www.drishtias.com/to-the-points/paper3/gig-economy-2>
10. <https://visionias.in/current-affairs/monthly-magazine/2024-08-22/economy/gig-economy>
11. Dr. Shama Yasmeen (2022) The Gig Economy and Its Impact on Future Working, International Journal of Engineering Technology and Management Sciences, Volume 6, Issue: 6, ISSN: 2581-4621, PP: 353-359.
12. Dr. TR. Kalai Lakshmi (2022) A Study on The Challenges Faced by Gig Economy Workers in Indian Facility Management Industry with Special Reference to Chennai City, International Journal of Creative Research Thoughts, Volume 10, Issue 8, ISSN: 2320-2882, PP: 834-839.
13. Dr. M. Sateeshnadhya Reddy (2022) Challenges and opportunities in the Development of Gig Economy in India, International Journal for Research Trends and Innovation, Volume 7, Issue 12, ISSN: 2456- 3315, PP: 455- 459. [10] Ms. Soumya Vadavi (2021) Gig Economy in the era of increasing Integration and Uncertainties Annual Research Journal of Symbiosis Centre for Management Studies, Volume 9, ISSN 2348– 0661, PP: 1-6. [11] Ahaan Bhandari (2021) Gig Economy: Female Workforce Participation, IOSR Journal of Economics and Finance, Volume