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THE ROLE OF DIGITAL PLATFORMS IN THE GROWTH OF THE GIG ECONOMY IN INDIA

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ABSTRACT

The Gig economy has become a significant part of the contemporary labour market, largely due to advancements in digital technology and the increasing use of internet-based platforms. Digital platforms such as Uber, Ola, Swiggy, Zomato, Amazon, Upwork and Fiverr have brought considerable changes to traditional employment practices by creating a direct link between workers, service providers and customers. These platforms offer individuals various opportunities to generate income through flexible work arrangements, temporary assignments and task-based employment. The present research paper examines the role of digital platforms in the growth of the gig economy, with special reference to India. It analyses how digital platforms facilitate employment generation, promote self-employment, improve market accessibility, encourage entrepreneurship and contribute to economic development. The paper also examines major challenges faced by gig workers, including income instability, lack of job security, algorithmic control, inadequate social protection and dependence on digital platforms. The study is based on secondary data collected from government reports, research publications, institutional studies and other relevant sources. The paper concludes that digital platforms are important drivers of gig economy growth; however, sustainable development requires appropriate regulatory frameworks, fair payment systems, skill development and social security protection for gig workers.

Keywords: Gig economy, Digital Platforms, Platform Economy, Employment Generation, Freelancing, Digitalization, Self-Employment, and India.

INTRODUCTION

The rapid development of information and communication technology has brought considerable changes to employment patterns and labour market structures across the world. In the past, employment was primarily associated with permanent jobs, regular working hours and long-term relationships between employers and employees. However, technological progress and changing economic conditions have led to the emergence of alternative employment arrangements that offer greater flexibility and temporary work opportunities. The gig economy is one of the significant developments resulting from this changing employment environment.

The gig economy refers to a system of employment in which individuals undertake temporary assignments, freelance projects, short-term contracts or task-based activities instead of relying solely on traditional full-time employment. These work arrangements are commonly facilitated through digital platforms that connect individuals offering services with customers and organisations seeking those services.

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Digital platforms play a vital role in the development and expansion of the gig economy. They provide an accessible online environment where individuals can offer their services and connect with potential customers. Through the use of digital technology, these platforms have simplified the process of finding work, accessing services and conducting transactions. They have also expanded employment opportunities by enabling individuals to work across geographical boundaries and participate in different economic activities.

In India, the expansion of internet connectivity, Smartphone usage, digital payments and e-commerce has accelerated the growth of platform-based employment. Digital platforms have created opportunities in transportation, logistics, food delivery, education, information technology, home services and professional freelancing. According to the Economic Survey 2025-26, India's gig workforce increased from approximately 77 lakh workers in FY 2020-21 to 120 lakh workers in FY 2024-25. The growth reflects the increasing importance of platform-based and flexible employment in the Indian economy.

Therefore, understanding the role of digital platforms in the growth of the gig economy is important for evaluating their contribution to employment generation, economic development and the future of work. The main problem addressed in this study is to understand how digital platforms contribute to the growth of the gig economy and whether this growth provides sustainable economic and employment opportunities for workers.

REVIEW OF LITERATURE

Sharma, A. K., & Sharma, R. (2025), the study on the relationship between the gig economy and economic growth highlights several factors influencing the experiences of gig workers, including economic stability, online platform policies, government regulations, job security and work flexibility. The growing influence of digital platforms has created new avenues for employment, particularly in urban areas, while simultaneously introducing challenges associated with income uncertainty and the absence of conventional employment benefits. A qualitative study conducted among 23 gig workers in Delhi, India, employed semi-structured interviews and thematic analysis using NVivo 12.0 to examine the experiences and challenges faced by workers in the gig economy. The findings identified seven major dimensions affecting gig workers: economic stability, online platform policies, government policies, job security, work flexibility, the influence of the gig economy and inconsistent work opportunities. Overall, the existing research suggests that although the gig economy offers considerable opportunities for employment generation and economic development, addressing issues related to income security, worker protection and regulatory frameworks is essential for its long-term sustainability.

Mehta, B. S. (2023), the study examines the theoretical debates surrounding the relationship between work and technological changes. It also explores the growing prospects of gig employment in India and identifies the major challenges associated with this emerging employment structure. Furthermore, it discusses how gig can work contribute to providing decent work opportunities and improving employment conditions for individuals. The study also emphasizes the need for appropriate future policy measures to support the sustainable growth of the gig economy. It highlights the importance of developing effective policies to improve working conditions, address the challenges faced by gig workers and strengthen employment opportunities. Overall, the study suggests that the gig economy has the potential to serve as an alternative source of employment in India, provided that suitable policies and supportive measures are implemented to ensure decent and sustainable work opportunities.

Dey, C., Ture, R. S., & Ravi, S. (2022), the growing use of non-standard workers has significantly transformed the employment structure of organisations over the past two

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decades. The emergence of technology-mediated platforms has introduced a new form of employment known as the gig economy, in which workers undertake flexible, short-term or task-based assignments through digital platforms. The increasing adoption of gig workers in India and other countries can be attributed to several factors, including changes in the nature of work, technological advancements and changing employment preferences. The study examines the major reasons behind the growth of gig work and discusses different types of gig platforms, their characteristics and their applications in both Indian and global contexts. It also highlights the various risks and challenges faced by Indian organisations while engaging non-standard workers through online platforms. Furthermore, the study emphasizes the importance of understanding the changing employment environment and the implications of platform-based work for organisations. The study also provides recommendations for human resource (HR) professionals to address the challenges associated with managing gig workers. Overall, the literature highlights that the expansion of the gig economy has created new employment arrangements and opportunities for organisations, while also requiring effective human resource strategies to manage the associated risks and challenges.

OBJECTIVES OF THE STUDY

The main objectives of the research are:

1. To examine the role of digital platforms in the growth of the gig economy.
2. To study the contribution of digital platforms towards employment generation.
3. To analyse how digital platforms provide flexible working opportunities.
4. To examine the impact of digitalization on self-employment and entrepreneurship.
5. To identify the major challenges faced by gig workers.
6. To evaluate the contribution of digital platform to India's economic development.
7. To suggest measures for promoting sustainable growth of the gig economy.

RESEARCH METHODOLOGY

The present study adopts a descriptive and analytical research design. The study is based on secondary data collected from: government reports and publications, NITI Aayog reports, Economic survey of India, International Labour Organization publications, Research journals and academic articles, relevant books, websites and industry reports. The collected information is analysed through descriptive analysis, interpretation of published statistics and thematic examination of opportunities and challenges. The study relies primarily on secondary information. Estimates of the gig workforce may differ across institutions because of differences in definitions, data sources and estimation methods. The findings should therefore be interpreted within the limitations of the available data.

ROLE OF DIGITAL PLATFORMS IN THE GROWTH OF THE GIG ECONOMY

The gig economy refers to a labour market where people work on a temporary, freelance, contractual, or task-based basis rather than in traditional permanent employment. India's gig economy has experienced significant growth in recent years due to digital technology, online platforms, changing employment patterns and increasing demand for flexible work arrangements.

The latest available official figures in the Economic Survey 2025-26 indicates that India's gig workforce increased by approximately 55% between FY 2020-21 and FY 2024-25.

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Table 1: Showing growth of the gig workforce in India FY 2020-21 to 2024-25

Financial Year	Gig Workforce	In millions
2020-21	77 lakh	7.7 million
2021-22	87 lakh*	8.7 million
2022-23	99 lakh*	9.9 million
2023-24	112 lakh*	11.2 million
2024-25	120 lakh	12.0 million

Source: Compiled by the researcher on the basis of secondary information.

*Figures for 2021-22, 2022-23 and 2023-24 are NITI Aayog's earlier projections, not subsequently verified annual counts. The 2024-25 figures are the Economic Survey 2025-26 estimate. These should not be treated as a fully comparable annual statistical series.

The economic survey 2025-26 provides the following sector-wise distribution of gig workers, based on the Indian staffing Federation's 2025 report.

Table 2: Showing Sector-wise distribution of gig workers in India (2024-25)

Sector	Workers (Lakh)
E-commerce	37
Logistics	15
Banking, Financial Services and Insurance (BFSI)	10
Manufacturing	10
Retail	7
Transportation	6
Information Technology	5
Healthcare	3
Education	3
Construction	3

Source: Compiled by the researcher on the basis of secondary information.

The gig economy in India has experienced considerable growth over the last five years, largely due to the expansion of digital platforms, increasing Smartphone usage, internet connectivity and digital payment facilities. According to NITI Aayog 2022, the gig workforce was estimated at 77 lakh in 2020-21, with projections indicating a gradual increase in subsequent years. The Economic Survey 2025-26 reported that the number of gig workers reached approximately 120 lakh in 2024-25, representing an increase of around 55 percent compared with 2020-21.

The sector-wise distribution indicates that e-commerce has emerged as a major contributor to gig employment, accounting for approximately 37 lakh workers, followed by logistics with 15 lakh workers. Other important sectors include banking and financial services, manufacturing, retail and transportation. These developments indicate that the gig economy is expanding beyond conventional delivery and transportation services into various other economic activities.

Some other figures are useful for understanding the growth and challenges of the gig economy:

- 55% growth: India's gig workforce increased from 77 lakh in FY 2020-21 to 120 lakh in FY 2024-25.

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- 2% of total workforce: Gig workers accounted for more than 2% of India's total workforce in FY 2024-25.
- Future projection: NITI Aayog projected that India's gig workforce could reach 2.35 crore by FY 2029-30.
- Social security registration: As of 3 August 2025, over 3.37 lakh platform workers had registered on the e-Shram portal.

Table 3: Showing major roles of digital platforms in the gig economy

Role	Explanation
Employment generation	Connects workers with different job opportunities.
Flexibility	Allows workers to select suitable working hours.
Easy accessibility	Provides access to work through Smartphone's and the internet.
Wider market reach	Connects workers with customers across different locations.
Skill-based opportunities	Enables people to offer services according to their skills.
Faster transactions	Facilitates payments and service bookings digitally.
Economic growth	Supports business activities and alternative income generation.

Digital platforms play a significant role in the growth and development of the gig economy by connecting workers with customers and organisations through online technology. Platforms such as Uber, Ola, Swiggy, Zomato, Urban Company and Fiverr have transformed traditional employment arrangements by providing opportunities for freelance, temporary, contract-based and task-oriented work.

Table 4: Showing India's Gig economy statistics

Indicator	Statistics
Gig workers in FY 2020-21	77 lakh
Gig workers in FY 2024-25	120 lakh (1.2 crore)
Growth from FY2021 to FY 2025	55%
Share of total workforce	Over 2%
Projected gig workforce by 2029-30	2.35 crore
Projected GDP contribution by 2029-30	₹2.35 lakh crore

Source: Compiled by the researcher on the basis of secondary information from Government of India's Economic Survey 2025-26 and NITI Aayog.

The following statistics explain the development and future potential of India's gig economy.

- ❖ In the financial year 2020-21, India had approximately 77lakh (7.7 million) gig workers. This indicates that a considerable number of people were already earning income through temporary, contractual, freelance and platform-based employment. Examples include: food delivery workers, Taxi and cab drivers, freelancers, online service providers, and independent consultants.
- ❖ By FY 2024-25. The number of gig workers had increased to approximately 1.2 crore (12 million). This increase reflects the growing popularity of digital platforms such as Swiggy, Zomato, Uber and other online service marketplaces. It also indicates that businesses are increasingly using flexible workers to meet changing customer demand.

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- ❖ The gig workforce increased by approximately 55% during this four-year period. This demonstrates the rapid expansion of alternative employment opportunities in India. The growth can be attributed to:

- Increasing internet and Smartphone penetration.
- Expansion of e-commerce.
- Growth of digital payment systems.
- Increasing demand for home delivery and transportation.
- Changing preferences towards flexible employment.

- ❖ Gig workers account for more than 2% of India's total workforce. This indicates that gig employment has become an important component of the Indian labour market. Although traditional salaried employment remains significant, gig work is creating additional employment opportunities, particularly for young people, independent workers and individuals seeking flexible working arrangements.
- ❖ According to NITI Aayog's projections, India's gig workforce is expected to reach approximately 2.35 crore (23.5 million) by FY 2029-30. This projection suggests that gig employment will continue to expand in the coming years. The growth is expected to be supported by: digital transformation, expansion of online businesses, growth in logistics and transportation, increasing demand for freelance services, and development of platform-based employment opportunities. This projection highlights the growing importance of the gig economy in India's future employment structure.
- ❖ The gig economy is expected to contribute approximately ₹2.35 lakh crore to India's GDP by FY 2029-30, as stated in the cited projection. This demonstrates the potential economic importance of gig-based activities. The contribution may arise from increased economic activity in transportation, e-commerce, delivery services, professional services and other platform-based industries. It also highlights the role of gig workers in supporting business operations, generating income and expanding the digital economy.

CHALLENGES FACED BY GIG WORKERS ON DIGITAL PLATFORMS

Gig workers are people who work on a temporary, freelance, or task-based basis through digital platforms such as Uber, Ola, Zomato, Swiggy, Amazon, and Urban Company. They face several challenges while working on digital platforms.

Table 5: Showing Key opportunities and challenges

Opportunities	**Challenges**
Flexible working hours	Income uncertainty
Additional income	Lack of job security
Employment opportunities	Limited social protection
Digital entrepreneurship	Health and accident risks
Access to global markets	Platform dependency
Low entry barriers in some sectors	Unequal bargaining power

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MAJOR FINDINGS OF THE STUDY

- India's gig workforce increased substantially between FY2021 and FY2025.
- E-commerce and logistics are major employment sectors.
- Uttar Pradesh, Maharashtra and Bihar are among the important states in platform-worker registrations.
- E-Shram registration numbers should not be confused with total gig workforce estimates.
- Reliable measurement remains a challenge because gig employment is not fully captured by conventional employment surveys.

SUGGESTIONS AND RECOMMENDATIONS

To improve the working conditions and protect the rights of gig workers, the following suggestions and recommendations can be adopted:

- Digital platforms should provide fair and reasonable wages to gig workers to ensure financial stability.
- Workers should receive benefits such as health insurance, accident insurance, pension, and maternity benefits.
- Platforms should establish clear policies to protect workers from unfair termination and sudden account deactivation.
- Companies should clearly explain payment structures, incentives, deductions, and commissions.
- Platforms should encourage balanced working hours and provide adequate rest periods to prevent physical and mental exhaustion.
- An effective complaint system should be established so workers can report problems and receive timely solutions.
- Digital platforms should explain how tasks are allocated, ratings are calculated, and payments are determined.
- Workers should be provided with training in digital skills, communication, customer service, and financial management.
- Platforms should introduce strong safety policies to protect workers from abusive customers and unfair ratings.
- The government should introduce effective laws and policies to protect gig workers rights and welfare.
- Gig workers should be encouraged to form unions or associations to raise their concerns and negotiate for better working conditions.
- Workers should receive guidance on savings, budgeting, loans, and financial planning to manage irregular income.

CONCLUSION

Summing up it is found that the increasing number of gig workers highlights the growing importance of digital platforms in generating employment and providing flexible working opportunities. However, this expansion also emphasizes the need to improve income stability,

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social security, and occupational safety and employment conditions. Therefore, the growth of the gig economy should be accompanied by appropriate policies to ensure sustainable and inclusive development.

Gig workers play an important role in the digital economy, but they face challenges such as income insecurity, lack of social protection, long working hours, and algorithmic control. Governments and digital platforms should provide fair wages, social security, job protection, and better working conditions.

Gig workers are an important part of the modern digital economy. Their contribution should be recognized and respected. Digital platforms and the government must work together to ensure fair wages, social security, job protection, and safe working conditions. The main recommendation is to create a balanced digital economy where platforms can grow while gig workers receive dignity, security, and fair treatment.

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