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Transformation of India's Gig Economy: Emerging Opportunities and Regulatory Concerns

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Abstract

The gig economy's rapid expansion in recent years has significantly altered India's labor sector. Due to the creation of new job opportunities, digital platforms like Swiggy, Zomato, Ola, and Urban Company have significantly contributed to this change. Instead of permanent employment, gig work usually consists of short-term, task-based contracts that provide flexible working hours. This approach has grown to be a significant source of revenue and a means of subsistence for many individuals.

The number of gig workers in India has increased significantly over the last ten years, and estimates indicate that by 2030, there may be about 23.5 million of them. This new type of work offers access to technology-driven work systems, flexibility, and more earning potential, but it also poses serious difficulties. Many gig workers are apprehensive about their steady income and job security. Furthermore, they frequently do not have access to clear regulatory protections and social security benefits, which raises significant concerns for worker rights and welfare in the changing labor market.

This study examines the growth, structural characteristics, and socio-economic implications of gig employment in India, with particular reference to platform-based food delivery services. It analyzes trends in gig worker participation, sectoral distribution, gender dimensions, and formalization patterns. The research further highlights the encounters faced by gig workers, including absence of labor rights, health risks, and financial vulnerability. By adopting a mixed-methods approach, the study provides both quantitative and qualitative insights into the evolving nature of platform work. The findings emphasize the imperative need for policy reforms that balance technological innovation with worker protection to ensure inclusive and sustainable labor market development.

Key Word: *Gig Economy; Platform-Based Employment; Digital Platforms; Labor Market*

Introduction

In recent years, the gig economy has significantly transformed the way people work across the world, and India has become one of the most active participants in this shift. The term “gig economy” generally describes a system of employment where work is organized around short-term assignments, projects, or specific tasks rather than permanent, full-time jobs. In this model, individuals usually work as freelancers or independent contractors instead of being employed in traditional long-term positions. Unlike the conventional employer-employee relationship—marked by fixed working hours, long-term contracts, and employment benefits—the gig economy emphasizes flexibility, autonomy, and project-based engagements. For instance, food delivery personnel working with app-based platforms or professionals hired for specific short-term projects exemplify this new employment model.

The gig economy's rapid expansion is the consequence of a number of interrelated events. The development of technology, particularly the proliferation of digital platforms and smartphone apps, is one of the primary causes. People can now contact with clients and customers outside of their local area, which has greatly facilitated the job search process. Concurrently, perspectives on the workplace have been evolving. Many people no longer see traditional 9-to-5 jobs as the only option and are more open to flexible and short-term work arrangements. Companies also find gig workers attractive because they help cut long-term employment costs. On the other hand, workers often appreciate the freedom to choose their schedules and the ability to earn money quickly when needed.

The gig economy's explosive growth has provoked heated debate among academics, decision-makers, and labor rights activists. Although it provides new revenue streams and flexibility, it has also given rise to significant worries. The absence of standard workplace benefits including social security, paid time off, health insurance, and provident fund contributions is a significant problem. Gig workers usually do not have the same protections as regular employees. Furthermore, their income is frequently erratic. Depending on client demand, job availability, and evaluations generated by computerized algorithms,

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income can differ significantly. Because of this, a lot of gig workers have unstable finances and no job security.

This creates conditions of job insecurity and economic vulnerability. Additionally, issues surrounding worker classification—whether gig workers should be recognized as employees or independent contractors—have raised important questions about labor rights, regulatory frameworks, and state responsibility. In the Indian context, gig work assumes a distinct socio-economic dimension. Unlike in some Western countries, where gig work often supplements primary income, in India it frequently constitutes a primary source of livelihood, particularly for economically marginalized populations.

Food delivery services provide a clear illustration of these dynamics. Platforms such as Swiggy and Zomato have transformed urban consumption patterns by integrating technology with logistics and restaurant services. These companies connect consumers to restaurants through digital interfaces and employ a vast network of delivery workers, commonly termed "delivery partners." While this model enhances efficiency, convenience, and market reach, it also restructures labor relations. Delivery partners are typically classified as independent contractors, which exempts companies from providing traditional employment benefits. As a result, workers bear operational risks, including fuel costs, vehicle maintenance, and insurance liabilities, without guaranteed minimum wages or stable income.

Estimates of Gig Workers in India: Growth, Potential, and Social Dimensions

The expansion of the gig economy in India has attracted considerable scholarly and policy attention, leading to multiple attempts to estimate its size, growth trajectory, and economic potential. Various reports by industry bodies, consultancy firms, and research organizations highlight not only the numerical increase in gig workers but also the structural transformation underway in India's labor market.

According to a 2021 report by ASSOCHAM and Primus Partners, India is estimated to have over 15 million freelance workers engaged across diverse segments of the gig economy. This figure reflects the growing penetration of platform-based employment and freelance work in sectors such as information technology, content creation, delivery services, and professional consulting. Similarly, a study conducted by TeamLease indicates a steady upward trend in gig employment, with the number of gig workers increasing from 8.5 million in 2016 to 11.7 million in 2017, and further to 15 million in 2018. These estimates demonstrate the rapid formalization of flexible and platform-based work arrangements within a relatively short span of time.

A more expansive projection is offered by the 2021 report by the Boston Consulting Group (BCG) in collaboration with the Michael & Susan Dell Foundation. The report suggests that the gig economy in India has the potential to generate up to 90 million jobs in the non-farm sectors over the next 8–10 years. Furthermore, it estimates that such expansion could contribute approximately 1.25 percent to India's GDP. The sectoral distribution outlined in the report reveals the heterogeneity of gig employment: 35 million skilled and semi-skilled jobs within industrial sectors, 5 million in shared services roles, approximately 12 million in service demand-based roles, and 37 million unskilled jobs across various sectors. Notably, around 70 million of these so-called "gigable jobs" are concentrated in construction, manufacturing, transportation and logistics, and personal services. The report emphasizes that this growth will largely be driven by small businesses and household demand, indicating the decentralization of economic activity and the role of digital platforms in mediating labor supply and demand.

Beyond aggregate numbers, recent assessments highlight important demographic and spatial dimensions of gig work. The Taskmo Gig Index Report (2022) observes that gig employment is no longer confined to metropolitan centers but is increasingly spreading to Tier-2 and Tier-3 towns. This geographical diffusion suggests that digital infrastructure and mobile connectivity are reshaping regional labor markets. Additionally, the report notes that Millennials and Generation Z (particularly individuals aged 19–25) constitute nearly 48 percent of the gig workforce, reflecting the strong attraction of flexible work models among younger populations.

Women's involvement in the gig economy reflects a mix of new opportunities and persistent challenges. Although women make up around 28 percent of gig workers, this sector can offer them a level of flexibility that traditional jobs often do not. Many women are drawn to gig work because it allows them to choose their working hours, work from preferred locations, and select tasks that fit their skills and family responsibilities. They are commonly engaged in roles such as customer support, content moderation, tele-calling, auditing, and survey-based assignments.

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Despite these advantages, gender inequality continues to shape women's experiences in the gig economy. One of the major obstacles is limited access to digital technology. According to the GSMA Mobile Gender Gap Report (2019), only about 16 percent of women in India use mobile internet, highlighting a significant digital divide. This gap restricts many women from even entering the platform-based workforce. In addition, concerns about unstable earnings, lack of job security, and the absence of social protection measures discourage many women from either joining or remaining in gig work. Therefore, while the gig economy is often portrayed as a flexible and empowering employment option, deep-rooted structural barriers continue to limit its true inclusiveness for women.

Policy institutions such as NITI Aayog have also acknowledged the expanding role of platform workers in India's economic future, forecasting significant demand for gig labor in the coming years. However, these optimistic projections coexist with concerns regarding precarity, labor rights, and regulatory safeguards. The rapid numerical growth of gig workers, while economically promising, necessitates a critical evaluation of working conditions, income stability, and social security mechanisms.

In conclusion, estimates of gig workers in India reveal both remarkable growth and substantial economic potential. At the same time, they expose deeper structural questions related to gender inequality, digital access, and labor protection. The gig economy is not merely a quantitative expansion of employment opportunities; it represents a qualitative transformation of labor relations that demands thoughtful regulatory and social policy interventions.

India's estimated number of gig workers

Numerous studies have attempted to determine the true size of India's gig economy in recent years, and the data indicates that it is expanding quickly. According to a 2021 analysis by ASSOCHAM and Primus Partners, there are already over 15 million independent contractors working on projects in various industries in India. This demonstrates unequivocally that gig work is now a significant component of the nation's employment structure rather than a passing fad. A more comprehensive view is presented in a significant report published in 2021 by the Michael & Susan Dell Foundation and BCG. Over the next eight to ten years, it is estimated that the gig economy might generate up to 90 million employments in non-farm sectors and contribute roughly 1.25 percent of India's GDP. 35 million skilled and semi-skilled employment in industries, 5 million positions in shared services, 12 million in demand-based services, and 37 million unskilled jobs in a variety of sectors are all possible, the paper states. A sizable portion—roughly 70 million possible gig jobs—may appear in the manufacturing, personal services, transportation and logistics, and construction industries. Crucially, homes and small companies are anticipated to account for a large portion of this demand. The projections in the report are based on a thorough mapping of job kinds across industries to determine potential obstacles and areas where gig work can grow.

This quick growth is also supported by other research. Gig workers grew from 8.5 million in 2016 to 11.7 million in 2017 and then to 15 million in 2018, according to a Team Lease analysis. It also emphasizes that gig economy businesses are responsible for about 56% of newly created jobs in India, including both white-collar and blue-collar positions. According to the Taskmo Gig Index Report (2022), gig employment is expanding not only in large cities but also in tier-2 and tier-3 villages. This growth is largely being driven by young people, as approximately 48% of the gig labor is made up of Millennials and Gen Z (19–25 years old).

Approximately 28% of gig workers are women, and many are drawn to gig work due to its flexibility. It enables them to select jobs according to their availability, geography, and interests. Customer service, content moderation, telesales, audits, and surveys are among the jobs that women frequently perform. However, significant obstacles prevent them from participating. Unfair access to digital technology continues to be a significant obstacle. Just 16% of Indian women utilize mobile internet, according to the GSMA Mobile Gender Gap Report (2019). Furthermore, many women are deterred from entering the gig economy by worries about job security and unstable working conditions.

NITI Aayog (2022) has attempted to provide more structured estimates of gig workers in India from 2011–12 to 2019–20 and has predicted the numbers up to 2030 based on these features. The Aayog seeks to provide a more comprehensive picture of the scope and prospects of gig work in India by utilizing employment data from surveys like the EUS and PLFS and taking into account both supply-side and demand-side factors.

All things considered, these reports demonstrate how the gig economy is growing quickly and changing the

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Indian labor market. At the same time, they draw attention to crucial concerns about job security, inclusivity, and internet access that require careful consideration as this new type of labor expands.

Literature Review

Economics, sociology, and labor studies are just a few of the fields from which research on the gig economy and informal labor has expanded dramatically in recent years. Researchers have examined this subject from a variety of angles, pointing out both the advantages and disadvantages of gig work. Positively, gig labor can offer prospects for income supplementation, more autonomy, and flexible working hours. Gig work appeals to many people because it enables them to strike a balance between their personal obligations and their financial prospects. Researchers do, however, also highlight a number of restrictions. Job security, social protection, employee perks, and clear professional growth tracks are frequently absent from gig work. Long-term financial stability may be challenging for employees due to this unpredictability. Furthermore, research on the demographics of gig workers indicates that they are more likely to be younger, have less formal education, and come from economically or socially disadvantaged families.

Gig economy workers were among the most vulnerable groups during the COVID-19 pandemic for two major reasons. First, most of them are treated as independent contractors rather than formal employees. Because of this classification, they are usually not entitled to basic employment benefits such as health insurance, paid sick leave, or job security (Bajwa et al., 2018). Second, their earnings are directly tied to market demand for services. Public health measures such as lockdowns and social distancing significantly reduced demand, thereby limiting income opportunities. Because many gig workers depend on daily wages and lack alternative income sources, this situation increased their exposure to financial instability and health risks.

Digital platforms play a significant intermediary role in the gig economy. Meijerink and Keegan (2019) explained that intermediary platforms connect gig workers and clients without establishing formal employment contracts, yet they perform critical human resource functions such as coordinating project delivery and facilitating payments. Thus, although gig workers are labeled independent contractors, platforms exercise considerable control over work processes.

Technological advancement has become an essential component of global economic activities, influencing human capital management and regulatory systems. Tapscott (2008) and Duffy and Schwartz (2017) highlighted that continuous exposure to digital technologies has shaped a new generation characterized by distinct qualifications, behaviors, attitudes, and expectations. The pervasive integration of technology into everyday life has redefined work arrangements and employment relationships.

In addition to changing career patterns, working hours, occupational structures, and employment relationships, the effects of digitalization have also resulted in the creation of new job prospects (Piasna & Drahokoupil, 2017). According to Davis (2015), this shift is known as the "informalization of work," in which task-based engagements and short-term contracts take the place of long-term employment relationships. In this environment, the idea of a "job" is gradually being supplanted by "tasks," which reflects how employment is evolving in the gig economy.

Although the gig economy offers flexibility and autonomy, it also presents various risks. Kalleberg and Dunn (2016) noted that freelancing models differ significantly across platforms. Some platforms, such as Upwork, allow freelancers to select projects while charging a percentage of earnings, whereas others impose flat fees. These structural differences influence workers’ income stability and bargaining power.

The gig economy ecosystem consists of three primary actors: clients, intermediary platform firms, and gig workers (Meijerink & Keegan, 2019). The interaction among these actors shapes work conditions, payment systems, and contractual arrangements, often placing gig workers in a dependent yet legally independent position.

Gender dimensions of gig work have also received scholarly attention. King (1978) found significant industry variations in the distribution of work hours, suggesting that flexible work arrangements facilitate better coordination between professional and domestic responsibilities for women. Similarly, reports by MBO Partners (2016–2019) indicated that women often prefer independent and gig work due to its flexibility. The 2018 report emphasized that schedule control and autonomy are primary motivations for women engaging in independent work.

Barzilay and Ben-David (2017) argued that online gig work may enhance women’s labor market participation

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by reducing bias and discrimination through relative anonymity. However, structural inequalities persist. Women are disproportionately represented in home-service sectors within the gig economy. Kasliwal (2021) observed that many women from economically disadvantaged backgrounds face social and cultural barriers—such as limited access to driving skills—restricting their participation in male-dominated gig sectors like transportation and delivery services. Consequently, women are more concentrated in sectors such as beauty and personal care services.

Overall, the literature suggests that while the gig economy offers flexibility, autonomy, and new employment opportunities, it also creates vulnerabilities related to income insecurity, lack of social protection, and persistent gender disparities.

Research Gap

Although the gig economy has been widely studied in terms of flexibility, innovation, and job creation, significant gaps remain, especially in the Indian context where gig work is often a primary livelihood source rather than supplementary income. Existing research largely focuses on developed countries and depends on secondary data and macro-level estimates, with limited micro-level evidence on workers' real experiences, income instability, and working conditions. While institutions like NITI Aayog highlight the sector's growth potential, fewer studies critically address issues such as labor vulnerability, declining formalization trends, gender disparities, digital access barriers, and health risks in platform-based sectors like food delivery. Therefore, this study aims to fill these gaps by integrating macro-level employment trends with primary data from gig workers to provide a comprehensive understanding of the economic, social, and regulatory dimensions of gig employment in India.

Research Objectives

1. To examine the growth and expansion of the gig economy in India over the last decade.
2. To analyze the structural characteristics and employment patterns of gig workers, particularly in platform-based services such as food delivery.

Research Methodology

This study mainly relies on secondary data gathered from established and credible institutions. Key sources include reports and publications from NITI Aayog, the Indian Association for Research in Income and Wealth (IARIW), ASSOCHAM, Boston Consulting Group (BCG), Team Lease, GSMA, as well as various government departments and research bodies. These organizations provide detailed insights into employment trends, sector-wise growth, demographic profiles of gig workers, digital expansion, and future outlooks for platform-based employment in India. By drawing upon such dependable sources, the study maintains a strong level of authenticity and policy relevance, which enhances the overall depth and reliability of the analysis.

Significance of the Study

This study explores the fast expansion of the gig economy in India and how it is reshaping traditional employment patterns. It points out that digital platforms have opened up wide-ranging job opportunities and contributed significantly to economic growth. However, the research also draws attention to the difficulties faced by gig workers, including uncertain earnings, absence of social security benefits, and weak labor protections. The study concludes that there is an urgent need for well-designed policies that encourage innovation and growth while also safeguarding workers' rights and promoting inclusive and sustainable development.

Results and Discussion

According to the NITI Aayog report, India's gig economy has been growing very quickly over the past few years. In 2020–21, nearly 77 lakh people were working in gig jobs, and this number is expected to rise sharply to about 2.35 crore (23.5 million) by 2029–30. This shows how fast flexible and platform-based work is becoming a major part of India's employment system. At present, almost half of the gig workers (47%) are engaged in medium-skilled jobs, while 31% are in low-skilled work and 22% are in high-skilled roles. However, the pattern is slowly changing.

Table 1: List of Indian businesses that appoint gig workers

S. N	Company	Year	Founder	Profile	Employees
1	Flipkart	2007	Sachin Bansal., Binny Bansal	e-commerce	30,000
2	Urban Company	2014	Abhiraj Singh Bhal	home service platform	35,000
3	Big basket	2011	Hari Menon	Online Grocery delivery	35,000

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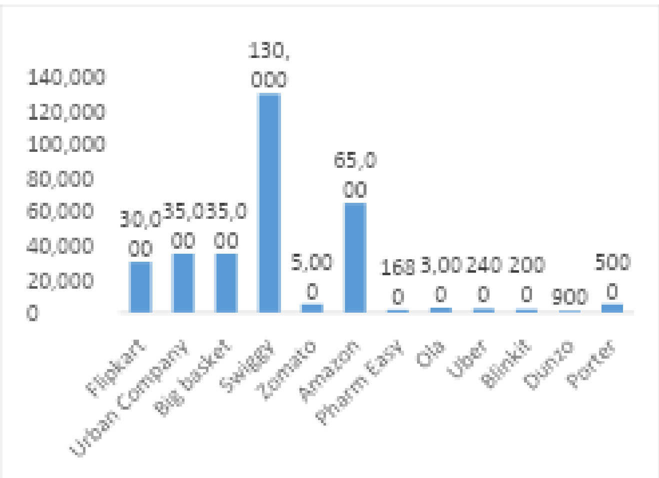
4	Swiggy	2014	Sriharsha Majety	Online food ordering	1,30,000
5	Zomato	2008	Deepinder Goya	Online food	5,000
6	Amazon	1994	Jeffrey Preston Bezos	e-commerce	65,000
7	Pharm Easy	2015	Dharmil Sheth and Dhaval Shah	Online medicine provider	1680
8	Ola	2010	Bhavish Aggarwal	Online Cab	3,000
9	Uber	2009	Travis Kalanick	Online Cab	2400
10	Blinkit	2013	Albinder Dhindsa	Online grocery	2000
11	Dunzo	2014	Kabeer Biswas	Online grocery	900
12	Porter	2014	Pranav Goel	Online logistic	1001-5000
13	Mr. Right	2013	Prashant Chaudhary	Online services	11-50
14	Tophawks	2015	Birendra Jha	Online B to B marketing	501-1000

Source: Compiled by the author based on data drawn from various published reports.



The share of medium-skilled workers is decreasing, while both low-skilled and high-skilled jobs are increasing. Even though medium-skilled work is likely to remain the largest category until 2030, the future gig economy is expected to create new types of jobs that require different and emerging skills as technology and market demands continue to grow. The table gives a clear and practical picture of how online companies have grown over time. It shows 14 well-known digital businesses, along with the year they were started, their founders, what kind of services they provide, and how many people they employ. Most of these companies were established between 2007 and 2015, which was a period when digital and app-based businesses started expanding rapidly, especially in India.

If we look at their business areas, most of them operate through online platforms. Flipkart and Amazon are major e-commerce companies that changed the way people shop. BigBasket and Blinkit made grocery shopping easier through home delivery. Swiggy and Zomato transformed food ordering by connecting restaurants directly to customers. Ola and Uber made booking a cab simple through mobile apps. PharmEasy provides medicines online, while Urban Company and Mr. Right offer home services like repairs and maintenance. Porter works in logistics, and Tophawks focuses on B2B marketing. Together, these companies show how technology is being used in almost every service sector—retail, food, transport, healthcare, logistics, and marketing.

When we consider employment, the impact becomes even more impressive. Swiggy employs the highest number of people (around 1,30,000), followed by Amazon (65,000). BigBasket and Urban Company each employ around 35,000 people, and Flipkart around 30,000. This shows that online platforms are not just convenient for customers but also major sources of employment. On the other hand, smaller companies like Mr. Right and Dunzo operate with fewer employees, which shows that digital businesses can also run efficiently with lean teams.

Another important point is that older companies like Amazon and Flipkart generally have larger workforces because they have had more time to expand. However, Swiggy proves that even newer startups can grow very fast in the digital economy if their business model meets market demand.

Overall, the table highlights how digital entrepreneurship has reshaped the modern economy. Many founders identified everyday problems—like buying groceries, booking a cab, or ordering food—and solved them using technology. Since 2007, online businesses have grown rapidly in India, creating jobs

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and changing the way people live and work. These companies play a significant role in employment generation and economic development in today's digital age. Table 2 indicates that the gig economy was still at a nascent stage in 2011–12, with around 25 lakh gig workers in the country. At that time, they accounted for merely 0.54 percent of the total workforce of 46.99 crore workers. Among these, only about 26 percent were engaged in the organised sector, and their proportion within the formal workforce stood at just 16.3 percent.

Over the years, the situation has changed significantly. By 2019–20, according to UPSS estimates, the number of gig workers had risen to approximately 68 lakh (6.8 million), and their share in total employment increased to 1.33 percent. During this period, the proportion of gig workers in the organised and formal sectors also expanded. This suggests that the growth of gig employment has been more rapid in the organised segment compared to the unorganised sector.

Table 2: Profile of Gig workers in India-2011-2019

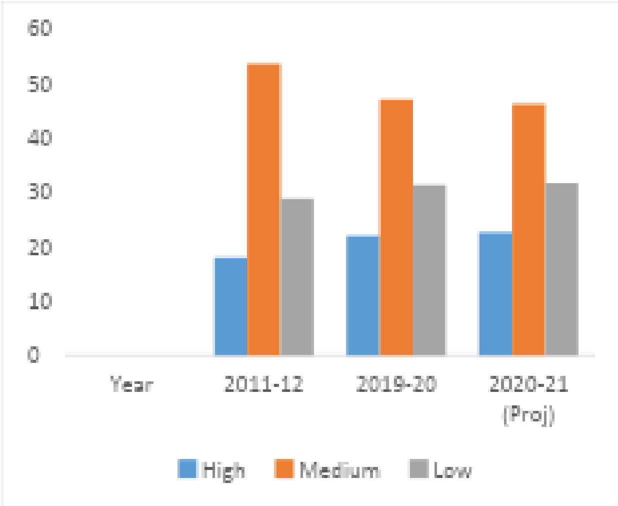
Year	Employment (Crores) (UPSS)	Number of Gig Workers (lacs) (UPSS)	Share of Gig workers (UPSS)	% Of Gig workers in organized sector	% Of Gig workers as the Formal workers
2011-12	46.99	25.2	0.54	25.9	16.3
2017-18	45.50	52.6	1.16	30.6	18.2
2018-19	46.75	53.9	1.15	35.7	18.6
2019-20	51.10	68.0	1.33	37.6	17.5
2020-21	51.66	77.0	1.49	39.55*	16.43*
2021-22	52.22	87.0	1.67	41.6*	15.43*

Source: IARIW,2022

However, a closer look at the data reveals that although the absolute number of gig workers consistently increased from 2017–18 to 2019–20, their percentage share among formal workers declined between 2018–19 and 2019–20. The projected estimates for 2020–21 and 2021–22, presented in the final rows of Table 4, help in assessing the effects of the COVID-19 pandemic on gig employment trends. Furthermore, NITI Aayog has forecast that the gig workforce may expand substantially, reaching around 23.5 million by the year 2030.

The workforce's composition has been steadily shifting over time. Only 17.9% of workers were high-skilled and 28.7% were low-skilled in 2011–12, with the majority (53.4%) falling into the medium-skilled category. The proportion of highly skilled workers grew gradually over time, reaching 22.5% in 2020–21.

Figure 2: Distribution of Gig Employment Across Skill Levels (in Percentage)



This implies that more people are receiving education, training, and chances in fields like technology and contemporary services that demand highly skilled workers. Meanwhile, the percentage of medium-skilled workers has significantly decreased, falling to 46% in 2020–21. This might be a reflection of the effects of automation and technological advancements, which frequently result in the loss of middle-level or routine jobs. It's possible that some employees switched to lower-skilled jobs, while others moved into higher-skilled positions. It's interesting to note that the percentage of low-skilled workers has also slightly increased to 31.5%, suggesting that many people continue to work in less secure or informal jobs. All things considered, the table depicts a changing economy. Although high-skilled employment is increasing, initiatives to improve skill development are becoming more and more necessary in order to enable more workers to advance rather than stay in low-skilled positions.

The distribution of gig workers by sector between 2017–18 and 2019–20 is displayed in the table, as is the percentage of gig employment in each industry. The gig economy's explosive expansion during this time is instantly noticeable. Gig workers grew from 52.6 lakh in 2017–18 to 68 lakh in 2019–20. Between 2018–19 and 2019–20, the number increased by 14.1 lakh in a single year. This dramatic rise amply illustrates the rapid

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growth of gig-based work. A closer look at the industries reveals that, over the course of the time, retail trade—aside from motor vehicles—remained the biggest source of gig work. This sector now employs 26.5 lakh people, up from 19.2 lakh previously. Despite a minor decrease in its percentage share during 2019–20, it continued to represent the largest group of gig workers. This expansion clearly points to the growing significance of online shopping and e-commerce platforms.

Table 3: Gig workers' industrial classification and percentage share (2017–18 to 2019–20)

NIC-2008	**Gig workers in lacs**			**Change in**	**The share of Gig workers**		
	2017-18	**2018-19**	**2019-20**	**2018-19 to 2019-20**	**2017-18**	**2018-19**	**2019-20**
Manufacturing	5.5	5.4	6.2	0.8	10.5	10.03	9.17
Electricity, gas, steam and air conditioning	0.4	0.4	0.2	-0.2	0.67	0.73	0.33
Water supply, sewage, waste management, etc.	0.3	0.3	0.3	0	0.59	0.49	0.47
Construction	1.2	1.4	2.1	0.7	2.31	2.58	3.06
Retail trade except motor vehicles and motor	19.2	21.7	26.5	4.8	36.48	40.3	38.95
Transportation and Storage	11	9.4	13	3.6	20.86	17.4	19.18
Accommodation and food service activities	3.2	2.8	4	1.2	6.05	5.2	5.94
Information and Communication	4.2	4.2	5	0.8	7.91	7.74	7.39
Financial and insurance activities	4.1	4.8	6.3	1.5	7.78	8.98	9.21
Real estate activities	2	1.5	2.4	0.9	3.77	2.84	3.53
Administrative and support service activities	0.2	0.4	0.4	0	0.36	0.68	0.55
Other education group	0.2	0.3	0.5	0.2	0.38	0.58	0.67
Educational support services	1.2	1.3	1.1	-0.2	2.34	2.44	1.56
Total	52.6	53.9	68	14.1	100	100	100

Source: Niti Aayog (2022)

The second-largest sector was found to be transportation and storage. In only one year, the number of gig workers in this area rose from 9.4 lakh to 13 lakh, demonstrating the rising acceptance of app-based delivery and transportation services. Some other sectors also experienced noticeable changes. Manufacturing saw a moderate increase in the number of gig workers, but its share slightly declined, indicating that other sectors were expanding more rapidly. Construction recorded steady growth, reflecting increased reliance on temporary and contract-based labour. Financial and insurance activities showed strong improvement as well, suggesting the growing reach of digital financial services and insurance platforms. The expansion of food delivery applications and hospitality platforms can be connected to the expansion of lodging and food services. Although the number of information and communication activities increased, their share did not, indicating consistent but slower growth. While administrative and support services stayed mostly unchanged during the period, real estate operations rebounded after a minor downturn.

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On the other hand, gig employment in industries including gas, electricity, and water delivery either stagnated or decreased. There is less room for gig-based or flexible work arrangements in these industries because they are often more formal and regulated. While other education-related activities saw some improvement, educational support services also observed a slight dip. Overall, the data show that service-oriented and digitally connected industries like retail trade, transportation, banking, and food services were the primary drivers of the growth of gig work. Gig labor only had a small impact on traditional utility sectors. The general trend reflects a wider trend in the labor market toward flexible, platform-based work and the increasing prominence of service-sector operations in the gig economy.

Challenges in the Gig Economy

In India, the gig economy—which includes services like food delivery, ride-sharing, and freelancing—has expanded quickly. However, the creation of legal frameworks to guarantee equitable and secure working conditions for gig workers has lagged behind this increase. Some key challenges they face include:

1. The majority of gig workers don't have steady employment or established occupations, which results in inconsistent pay. They frequently have to work excessive hours to make ends meet because to this financial insecurity, which leaves little time for personal or professional balance.
2. Gig workers in India fall outside the purview of labor laws, leaving them vulnerable to issues like discrimination, unfair termination, and workplace harassment. They are also excluded from essential benefits such as health insurance, retirement plans, and paid leave. This absence of social security exposes them to significant risks, including financial hardships during health emergencies, retirement, or periods of illness.
3. Many gig jobs involve strenuous working conditions that harm workers' health. For example, drivers face long hours leading to physical exhaustion and increased road traffic accident risks. Stringent policies like "10-minute doorstep delivery," imposed by some e-commerce platforms, exacerbate these challenges. Such tight deadlines force workers to prioritize speed over safety, increasing their susceptibility to accidents, chronic stress, and burnout, making the job environment hazardous and unsustainable.
4. A lot of gig workers operate independently, typically without being a member of a shared workspace or traditional office. This freedom can be isolating, even though it provides flexibility. They frequently lose out on informal discussions, opportunities for teamwork, and opportunities to form enduring professional relationships when they don't regularly contact face-to-face with their coworkers. Lack of a shared workplace might limit networking and peer support possibilities, which over time may have an impact on their personal and professional growth as well as their sense of belonging.

Conclusion

The gig economy has changed how people work in India during the past ten years. Particularly in the areas of food delivery, ride services, online retail, and home-based services, internet platforms such as Swiggy, Zomato, Ola, and Amazon have created new job opportunities. From roughly 25 lakh in 2011–12 to about 77 lakh in 2020–21, the number of people doing gigs has grown significantly, and estimates indicate that by 2030, there may be as many as 23.5 million of them. This consistent increase illustrates how flexible work schedules and app-based work have grown to be a significant source of income for many Indians. It also represents a larger shift away from long-term, permanent occupations and toward temporary, task-oriented work.

Although the growth of gig work has created options for livelihood, it has also raised a number of issues. Unpredictable income, little social security benefits, few legal protections, and difficult working circumstances are problems for many gig workers. Their predicament is further complicated by problems including gender inequality, restricted digital access, and a lack of official acknowledgment. For many people, gig work serves as both their primary source of income and their only source of support. As a result, well-crafted laws and regulations are desperately needed. In addition to tackling more general issues of inequality and justice in the evolving workplace, the government should endeavor to provide equitable compensation, social security coverage, and easily accessible grievance redressal procedures.

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