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Future of Work – Gig Economy and Emerging Trends in India

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Abstract

India's gig economy is rapidly growing, driven by digital platforms and changing workforce dynamics, with an estimated 12 million gig workers in financial year 2024-25. It is estimated to reach 23.5 million by 2029-30; this sector contributes 1.25% to India's GDP. The workforce is predominantly young, educated and engaged in sectors with high mobility such as digital delivery and professional services. Key trends shaping India's gig economy show that in recent years there has been a significant rise in skill diversification in this sector. Hyper-local gig work and skill-based platforms are expanding rapidly. Gig work is also emerging in green services and eco-friendly delivery. Despite these job opportunities, gig workers face challenges like income volatility, limited social benefits and uncertainties. Prioritizing inclusive growth, social security, and fair compensation is crucial. Many regulatory developments, including proposals for social security and platform regulations, are being introduced. By harnessing technology, promoting skill development, and implementing adaptive strategies, India can unlock this potential and promote opportunities for equitable growth for millions of gig workers.

Keywords: Gig Economy, Digital platform, Workforce dynamics, Inclusive growth;

Introduction

In the twenty-first century, the Global economy is undergoing an innovative transformation driven by technological advancement and changing market preference of both consumers and producers. One of the significant outcomes of this transformation is the rapid emergence and enlargement of the gig economy. In the present scenario, the market and business are shifting towards digital platform, i.e., platforms that operate at the click of a button in response to consumer demand. This trend encapsulates the emergence of gig economy. The gig economy has rapidly transformed global labor markets. It has opened up sectors that offer short term, flexible task- based jobs. Unlike traditional employment, gig workers are typically contract-based, task oriented and managed via digital platforms or applications. The sector has witnessed expential growth over the last decade, driven by technological innovations, declining transaction costs and shifts in workers preference for flexibility. The gig model integrates the workforce into international markets. Freelancers from one country are employed to provide services such as software development, writing, graphic design, or virtual assistance to clients located across the world, thereby contributing to foreign income inflows.

"Gig work, a term coined around 1915 and more recently popularized by platform work, describes the exchange of labor for money on a short- term and payment by task basis. At present gig work, flex-work, on- call work, freelance terms describe non standard employment (NSE) forms that deviate from the conventional parameters of standard employment." (Zaid, R.et al.2024)

Globally, there are approximately 435 million gig workers, marking a 41% increase since 2016. The World Bank’s 2023 reports calls the gig economy “Working without Borders”. The report found that the demand for gig workers in developing countries is growing rapidly. In Sub-Saharan Africa, demand grew by 130%, while the growth rate of digital platforms in North America was just 14%. From an economic standpoint, the gig economy alters conventional labor supply and demand dynamics, affects wage- formation mechanisms, and challenges existing labor regulation. While it enhances labor market participation, especially among youth and part-time workers, it simultaneously exposes gig workers to challenges such as income volatility, limited social security and risky working conditions. In 2024, the ‘gig economy’ had a market size of $ 556.7 billion, which is expected to be more than triple to $ 1.847 billion by 2032. (The World Economic Forum 2024). A Mc Kinsey survey in 2022 found that more than a third (36%) of the US workforce was classified as independent workers. “The gig economy has the potential to provide economic opportunities for traditionally underserved groups with the right safeguards and support in place; the gig economy has the potential to enable economic inclusion and self-reliance, helping individuals.” (ILO 2025)

Review of Literature

Singh Haridarshan (2024) examines the benefits and drawbacks of gig workers from the perspectives of the employer, employee, and policymaker. His research paper focuses on future developments that influence the gig economy. Mahadevan Padma et al. (2024) emphasize various issues directly and indirectly associated with gig workers, especially platform-based workers. Platform workers face many challenges similar to those of unorganized-sector labor. She recommended a device mechanism for a peaceful relationship between workers and their employer. In their study, Rao, Kapoor & Behera (2023) present a literature review on the social security policies for gig workers. They show that gig workers lack labor protections because they are independent contractors and recommend redefining the employment relationship to extend benefits such as pensions and insurance. Focusing on the legal status of gig workers and the gap between current legislation and the need for social security, Kumar & Shani (2024) highlight the lack of formal employee classification under labor laws and its impact on access to benefits. By comparing Indian laws with the international framework, they suggest policy reforms for balanced protections, including social security, fair wages, and legal safeguards. This study frames the regulatory challenges and suggests balanced policies for sustainable gig work. Chattopadhyay (2024) argues that the gig economy’s disruption of traditional labor necessitates urgent legislative reforms in India to secure labor rights and social protection. They call for policy frameworks that include minimum benefits, unemployment insurance, and statutory welfare measures. Prakash's study (2025) critically analyses India’s current labor laws, especially the Code on Social Security, 2020, and finds important space in protections for gig workers (healthcare, pensions, job security). It highlights that their inconsistent earnings and lack of formal employment mechanisms contribute to economic insecurity. Using global comparisons with the EU, California, and Australia, he suggests that policy reforms should integrate gig workers into India’s formal system and enhance their access to social security. His paper provides a foundation for understanding legal and policy weaknesses in India’s gig economy. Moyal et al. (2025) explore access to social security schemes among gig workers in Indore, focusing on awareness, accessibility, and impact on financial well-being. Results show gig workers lack sufficient social protection, despite existing formal schemes. Authors argue for urgent policy action to ensure inclusive support systems that can make the gig workforce economically sustainable in the long term.

Objective of Study and Research Methodology

Envisaging the growing share of gig workers in the Indian economy, this paper aims to

- To understand the gig economy and its structure;
- To analyze the emerging trends of India's gig economy;
- To explore the job possibilities and opportunities in the context of India;
- To discuss challenges and suggest measures for the betterment of the gig economy;

The research is based on secondary data collected from books, journals, articles, and government reports.

Understanding the Gig Economy

Economic inequality and exclusion are major challenges in India's labor market. Formal employment opportunities are concentrated in urban centers, leaving rural and marginalized populations with limited job options. The gig economy has the possibility to reduce these disparities by decentralizing work. Digital platforms allow individuals from remote or economically disadvantaged areas to participate in income-generating activities, which contributes to poverty reduction, even development, and inclusive growth. The gig economy has the potential to provide economic opportunities to underserved groups, but only with the right safeguards and support. "The gig economy has the potential to enable economic inclusion and self- reliance, helping individuals." (ILO 2005)

Gig workers are broadly classified as:-

- Platform Workers- workers whose jobs rely on online software application and digital platforms. Their work characterized by flexibility but also suffers from instability and uncertain income, for example ride-hailing, Food deliver, home services.
- Non-platform Workers- workers who operate outside of online software apps or digital platform to secure work opportunities, for example, construction workers, street vender, main cooks (Domestic workers), home-based such as handicrafts, tailoring etc. (David, A. et al 2024). These workers typically earn a casual wage on their own account.

The gig economy in India emerged as part of the shift in global labor market due to technological change, digital platforms, and evolving forms of work. These platforms connected workers directly to consumers via digital interfaces, reducing transaction costs and offering flexible learning opportunities. The new labor code 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 a traditional employment relationship.

The Gig Economy in India

India, with its demographic dividend, the youngest population in the world, urbanization, accessible, cheap internet, and being the largest consumer of smart phones, is the pioneer of the gig revolution. The gig economy, due to its flexibility, offers workers autonomy to balance work and life responsibilities on their terms. "A significant driver of the gig economy in India is the increasing population of young, educated, and ambitious individuals striving to augment their income through side gigs. This demographics' desire for additional income sources fuels the growth of freelance and gig opportunities across various sectors." (David, A. et al. 2024)."

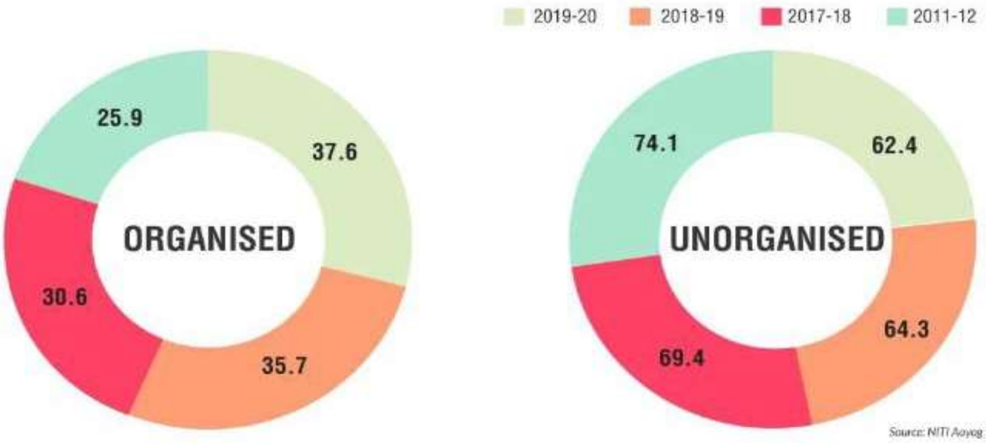
Significance of Gig economy in India-:

- Job creation for skilled and semi-skilled workers;

- Additional job opportunities and supplementary income support;
- Digital innovation and expansion;
- Expansion of the informal economy;
- Job opportunities in sectors which require short-term commitments;
- Promotion of inclusive growth by employing in semi-rural and rural areas;

National statistics indicate that in 2020-21, approx 7.7 million workers were employed in the gig economy; the number is projected to increase to 23.5 million by 2029-30.

Figure 1: Share of GIG Workers in the organized and Unorganized Sectors(%)



The data for the organized sector show an increase from 25.9% in 2011-12 to 30.6% in 2017-18, a moderate growth of 4.7 percentage points. This increasing trend continues with 35.7% in 2018-19 and a further growth to 37.6% in 2019-20. Overall growth rate from 2011-12 to 2019-20 recorded 11.07%, indicating accelerating integration of gig workers into formal structures.

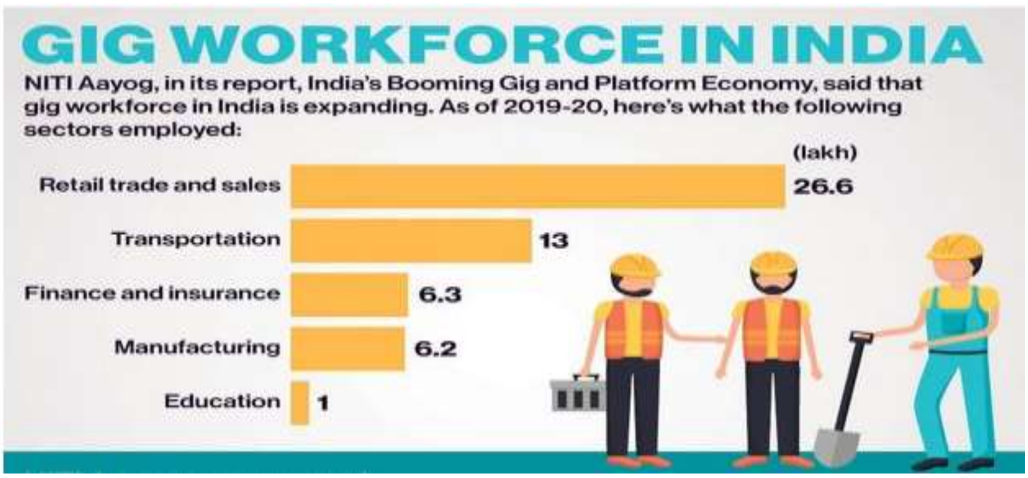
Source NITI Aayog

In the unorganized-sector data, their participation decreased 4.7% from 2011-12 (74.1%) to 2017-18 (69.4%). Further, this trend of continuous decline is evident from 2018-19 to 2019-20, with the share falling from 64.3% to 62.4 %. i.e., overall decline 11.75.

The sector-wise distribution of the gig workforce

The sector-wise distribution of the gig workforce shows a strong clustering in service- based areas, as is clear in Fig.2.

Figure 2: Distribution of the Gig Workforce in India



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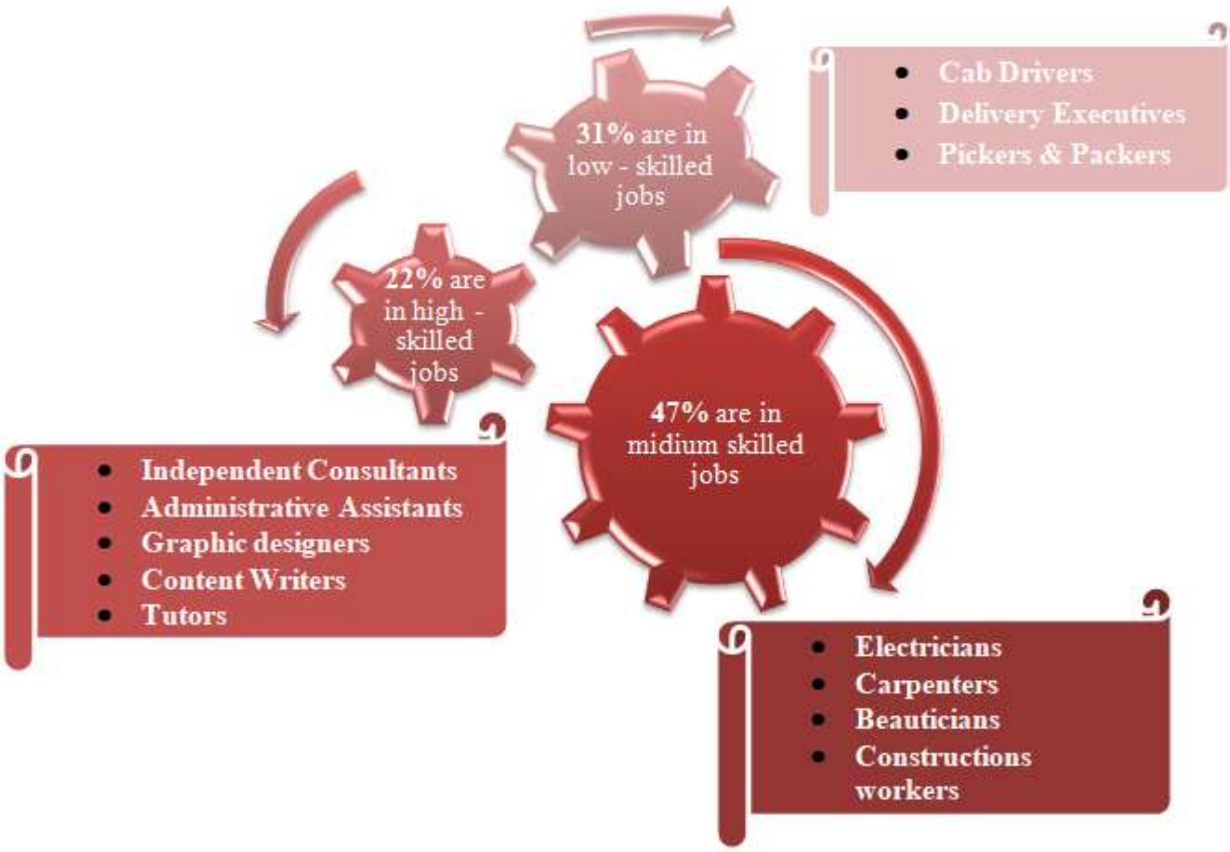
The largest shares of gig workers (26.6 lakh) are engaged in Retail trade and sales. In transportation sector, 13 lakh workers shows how fast shipping ride hailing and health care supports are growing. Although there is moderate participation in finance and insurance (6.3 lakh) and manufacturing (6.2 lakh) sector. In sector wise distribution workforce only 1 lakh gig workers are there in education sector, which emphasize the need for educational development.

Figure: 3



Source NITI Aayog 2022

Skill Wise Distribution of GIG Workforce

In above figure 47% medium skilled dominates the work forced with vocational rules like electricians, carpenters, and construction workers. Low skilled (31%) represents nearly one third of jobs, heavily driven by gig workers like driver and delivery executives. Only 22% are high skilled this comprises the smallest market share, including professional fields, as graphics designer, writing and consulting. Mid level skills (47%) and low skilled roles, (31%) together these two categories command a 78% majority of employment.

Distribution of workers across India:- The gender analysis of the distribution of workforce reveals a gender gap in workforce participation.

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Table 1-The Distribution of workers across Indian state and Union Territories

State / UT	Male Workers	Female Workers	Others
Andhra Pradesh	2729	2396	-
Andaman & Nicobar Islands	21	11	-
Arunachal Pradesh	43	28	-
Assam	5387	5422	1
Bihar	2205	2338	-
Chhattisgarh	437	210	-
Chandigarh	109	23	-
Delhi	2807	938	-
Gujarat	3108	1306	-
Goa	83	21	-
Himachal Pradesh	104	158	-
Haryana	1299	334	-
Jharkhand	981	543	1
Jammu & Kashmir	326	160	-
Kerala	974	203	-
Karnataka	4115	1220	-
Lakshadweep	-	1	-
Ladakh	11	3	-
Mizoram	21	15	-
Meghalaya	71	36	-
Manipur	28	29	-
Maharashtra	8467	3355	1
Madhya Pradesh	2357	1564	-
Nagaland	24	11	-
Odisha	876	277	-
Punjab	881	563	-
Puducherry	62	18	-
Rajasthan	2834	2010	-
Sikkim	29	13	-
Telangana	3656	317	-
Tamil Nadu	3100	1733	3
Dadra & Nagar Haveli & Daman & Diu	13	10	-
Tripura	128	44	-
Uttarakhand	294	161	-
Uttar Pradesh	4788	1636	-
West Bengal	14313	12058	-
Total	**66,682**	**39,164**	**06**

E-shram portal 2025

Table 1 presents the distribution of workers across Indian States and Union Territories by gender. At the national level, the total number of male workers (66,683) is significantly higher than the number of female workers (39,164). In contrast, the representation or workers in the "others" category is negligible (only 6).

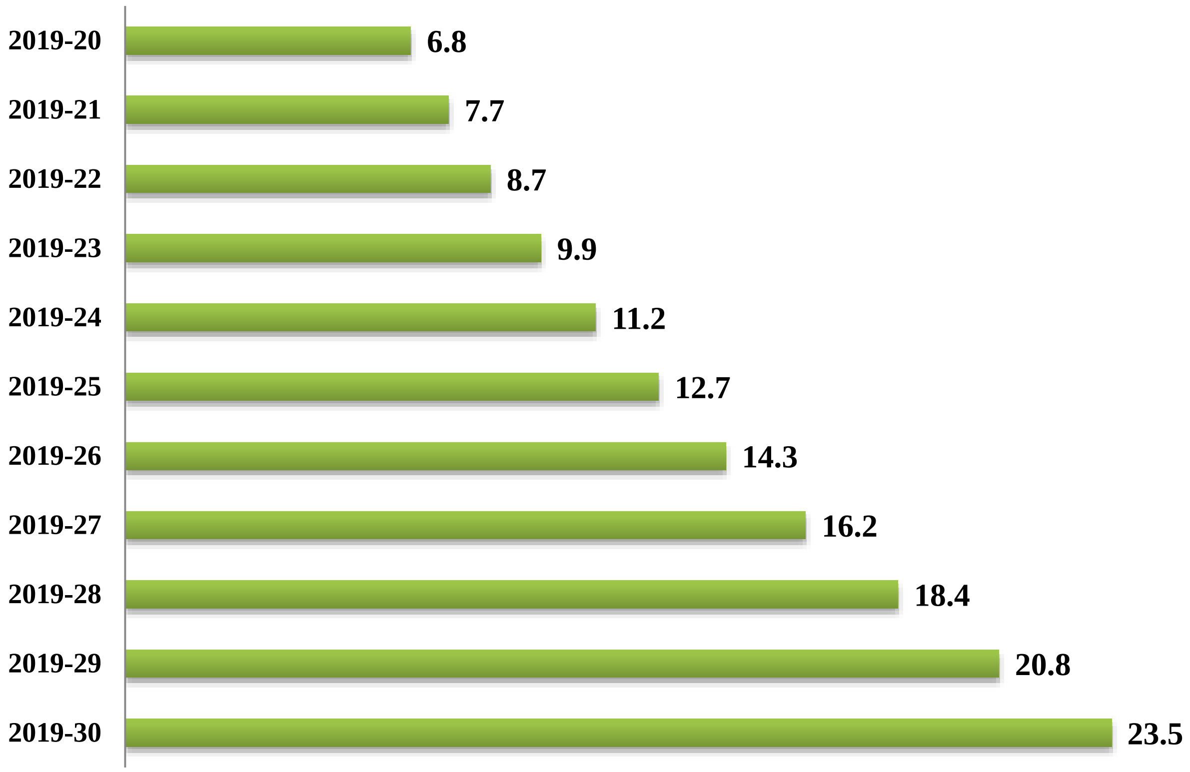
In developed state like Maharashtra, the highest number of male workers (8,467) and female workers (3,355) are recorded, having great opportunities for female gig workers. It is also shown that West Bengal reflects high participation among both male (14,315) and females (12,078). Karnataka, Tamil Nadu and Uttar Pradesh account for a large share of gig workers but are predominantly male-dominated. There are very few workers in smaller states and Union Territories such as Ladakh, Mizoram, Andaman & Nicobar Island and Lakshadweep. The table above shows that some states exhibit near parity between male and female workers, such as Assam and Bihar. These states have higher female participation than other large states. The gender-based disparities in employment underscore the need for targeted policies to increase women's workforce participation, especially in high- growth sectors.

Figure 4: Age -Wise Break Down of India's Gig Workforce

Source –Business today. in

Above 48% of gig workers are aged 26-40, the largest share of active and experiences individuals. A share of 32% workers is aged 18-25 years, indicating growing attraction to gig jobs among youth due to low barriers and flexibility. There is only a 20% participation rate among older individuals. Overall, the above data show that India's gig workforce is youth-oriented and concentrated among the prime-age population.

Figure 5. - Projection for gig workers using employment growth (MN)



Source NITI Aayog 2022

The figure above indicates strong, steady growth in gig employment over the projected period from 2019-20 to 2019-30. The numbers of gig workers expanded from 6.8 million to 23.5 million over the years, showing a total rise of 16.7 million. The compound annual growth rate is estimated at around 13%. The table also shows growth of approximately 24.6% over the decade.

Factors promoting the expansion of the gig economy in India are

India is a fast growing digital economy, gig worker is becoming an essential component of inclusive growth.

- High Digital Access–India has around 650 million smart phone users and over 936 million internet users, which strengthens the gig economy.
- Expansion of Start-ups and e-commerce is driving the demand for gig workers.
- Expansion of the network of quick services apps for food delivery, cab booking like Uber, Ola, etc., which run at the click of a button according to consumers' demand for food delivery, cab booking like Uber, Ola, etc.
- Low-cost labor;
- Work-from-home flexibility and no pressure of a 9-to-5 job;

While these factors, combined with a high level of unemployment, have contributed to the expansion of the gig economy, it continues to face many challenges.

Challenges of the Gig Workforce in India

In India, the gig economy has emerged as a solution for unemployed, semi-skilled, and skilled youth. However, it has also emerged as a tool for exploitation due to the absence of proper guidelines and regulations. The various issues and challenges encountered by gig workers are:

- lack of social security, including health insurance, paid leave, and pension plans;
- 90% of gig workers lack savings and face high vulnerability to emergencies (NITI Aayog 2024);
- income instability and wages below the minimum standard;
- Unsatisfactory working conditions and exploitation;
- Long working hours;
- Since gig workers are not traditional laborers or employees, traditional labor laws, legal protection, minimum wages, working hours, and overtime facilities are not available for them;
- The labor force, especially in rural areas without enough digital knowledge and skills, is excluded from opportunities because the gig platform depends on digital applications;
- Issues of lack of smart phones and access to internet connectivity hamper the workers' productivity;
- Poor collective bargaining power and weak grievance redresses system;
- Rating-based pressure from customers;
- Economic vulnerability-During crises like pandemics or economics low downs, gig workers are among the first to lose income.

Suggestions for Reducing the Challenges of the Gig Economy

The challenges and issues associated with gig workers need to be addressed urgently. Here are some suggestions;

- The government should legally recognize gig workers as a separate work force category;
- Clear labor laws should be framed to protect gig workers' rights;
- Social security and other benefits schemes should be extended to gig workers;
- Health insurance, accident, life insurance, pension, and retirement benefit schemes should be introduced;
- Skill development and training programs should be started;
- Gender-sensitive policies should be introduced;
- Inclusive programs and digital literacy for inclusion growth;

The above suggestions will remain merely a framework; inclusive growth is not possible without implementing regulations and active policy.

Conclusion

India's gig economy is a fast growing sector, offering opportunities for flexible work and economic participation. However, this growth is accompanied by challenges, income instability, limited social security, and regulatory ambiguities. As the sector expands, prioritizing worker welfare, promoting digital inclusion and fostering sustainable growth will be crucial. Policymakers must balance flexibility with protection ensure gig workers have access. India can unlock the gig economy's potential, driving inclusive growth and sustainable development. The future of work in India's gig economy things on collaborative efforts to create a resilient, equitable ecosystem that benefits workers, platforms and the broader economy.

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