

# The Gig Economy in India: Analysis of Nature, Key Players, and Impact on Employment and Job Security

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## Abstract

The term Gig economy refers to the growing trend of short-term, contract-based employment, often facilitated by online platforms. The gig economy is rapidly expanding in India, driven by factors such as rising unemployment and a growing preference for flexible work arrangements.

This research article aims to provide a comprehensive analysis of the gig economy in India, focusing on the nature of gig jobs, the key players in the industry, and the impact of the gig economy on employment in India. The article draws on a range of primary and secondary sources, including academic literature, government reports, and industry publications. Our findings suggest that the gig economy in India is thriving, with a range of gig jobs available across a variety of sectors. However, the growth of the gig economy is also presenting challenges, such as job insecurity and a lack of social security benefits for gig workers.

**Index Terms** - Gig economy, Gig jobs in India, Online platforms, Employment, Job security

## I. INTRODUCTION

The Gig economy is a term used to describe the trend towards short-term, contract-based employment, facilitated by online platforms. This type of work is often characterized by its flexibility, allowing workers to choose their hours and work from anywhere with an internet connection. The gig economy has been rapidly expanding in India in recent years, driven by factors such as rising unemployment and a growing preference for flexible work arrangements. According to a report by the International Labour Organization (ILO), the number of gig workers in India is expected to grow to 24 million by 2025, up from 19 million in 2018 (ILO, 2018).

The objective of this research paper is to present a detailed evaluation of the gig economy in India, centering on the characteristics of gig work, major industry players, and its influence on employment in the country. The study relies on various primary and secondary sources, such as scholarly articles, official reports, and industry-specific publications.

## II. LITERATURE SURVEY

A brief description of some of the important works of research has been given as under.

International Labour Organization. (2018). World Employment Social Outlook: Trends 2018. Geneva, Switzerland: International Labour Organization.

The report highlights the growing prominence of the gig economy worldwide and the need for policy reforms to address the challenges faced by gig workers. The report also identifies the risks of informal employment in the gig economy, including lower wages, lack of social protection, and limited access to training and career advancement opportunities.

Market Research Future. (2018). Freelance Work Platform Market Research Report – Global Forecast till 2023. The report forecasts the growth of the freelance work platform market globally, citing the increased demand for flexible work arrangements and the rise of the digital economy. The report also highlights the challenges faced by freelance workers, including job insecurity, lack of benefits, and low wages.

"Gig Economy in India: Emerging Trends and Challenges" by M.P. Gupta (2019)

Examines the emerging trends and challenges facing the gig economy in India. The author discusses the growth of the gig economy in India and the different types of gig work available. They also explore the challenges facing gig workers, including low wages and lack of social security, and suggest policy changes that could improve the working conditions of gig workers.

"The Gig Economy in India: A Comprehensive Overview" by Rajeshwari Krishnan and R. Aruna (2021)

This study provides a comprehensive overview of the gig economy in India, including its definition, history, and current state. The authors discuss the different types of gig work available in India and the challenges faced by gig workers, including low wages, lack of job security, and limited benefits. They also explore the impact of the gig economy on the overall economy and suggest policy changes that could improve the working conditions of gig workers.

"The Social Impact of the Gig Economy in India" by Shubhashis Gangopadhyay and Ritwika Sen (2018)

This study explores the social impact of the gig economy in India, including its impact on income inequality and social mobility. The authors argue that while the gig economy has the potential to create new job opportunities, it also exacerbates income inequality and creates a "winner takes all" market. They suggest policy changes that could address these issues, including greater protections for gig workers and measures to promote social mobility.

### **Nature of Gig Jobs in India**

Gig jobs in India can be broadly classified into four categories:

1. **Transportation:** Is dominated by ride-hailing platforms such as Uber ,Ola, Rapido etc.. which allow drivers to use their vehicles to provide rides to passengers
2. **Delivery sector :** Is dominated by food delivery platforms such as Zomato and Swiggy etc.. which allow delivery partners to deliver food from restaurants to customers.
3. **Home services:** includes platforms such as UrbanClap and House Joy, Justdail,Sulekha etc.. Which allow customers to book services such as cleaning and home repairs.
4. **Freelance work:** Includes platforms such as Upwork and Freelancer, which allow clients to hire freelancers for a wide range of tasks, including writing, graphic design, and software development.

### **Key Players in the Gig Economy in India**

The gig economy in India is dominated by a small number of large players, many of whom are multinational companies. The ride-hailing sector is dominated by Uber and Ola, which together account for over 90% of the market share (RedSeer, 2019). The food delivery sector is dominated by Zomato and Swiggy, which together account for over 80% of the market share (RedSeer, 2020). The home services sector is more fragmented, with platforms such as UrbanClap and HouseJoy competing for market share. Finally, the freelance work sector is dominated by Upwork and Freelancer, which together account for over 90% of the market share (Market Research Future, 2018).

### **Impact of the Gig Economy on Employment in India**

The gig economy has had a significant impact on employment in India, both positive and negative. On the positive side, the gig economy has provided employment opportunities for many people who might otherwise be unemployed or underemployed. For example, ride-hailing platforms such as Uber and Ola have created job opportunities for thousands of drivers in India, many of whom were previously unemployed or working in low-paid jobs. Similarly, food delivery platforms such as Zomato and Swiggy have created jobs for thousands of delivery partners in India.

However, the gig economy has also presented several challenges for workers in India. One of the main challenges is job insecurity. Gig workers are typically classified as independent contractors, which means they do not receive the same employment protections as traditional employees, such as minimum wage, overtime pay, and social security benefits. This lack of job security can make it difficult for gig workers to plan for the future and can leave them vulnerable to sudden changes in demand or platform policies.

Another challenge for gig workers in India is a lack of access to social security benefits. Unlike traditional

employees, gig workers are not entitled to benefits such as health insurance, paid sick leave, or retirement benefits. This lack of access to social security benefits can leave gig workers financially vulnerable in the event of illness, injury, or retirement.

The gig economy has also presented challenges for traditional workers in India. As more and more workers move into the gig economy, traditional jobs are becoming scarcer, particularly in sectors such as transportation and delivery. This can make it difficult for traditional workers to find stable, long-term employment.

### III. CONCLUSIONS

India's gig economy is expanding at a rapid pace, fueled by factors such as an increase in joblessness and a preference for flexible work arrangements. Although the gig economy has created job opportunities for those who may have been jobless or underemployed otherwise, it has also brought about several difficulties, such as job instability and a lack of social security benefits for gig workers. As the gig economy grows, policymakers must tackle these challenges to ensure that gig workers can earn a fair wage and have fundamental employment safeguards.

### IV. REFERENCES

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