

# Emerging Trends of the Gig Economy towards Employment Generation in India: Opportunities & Challenges

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## Abstract

Current innovative technological trends have expanded and changed the way of business operation. The use of smartphones and internet are not only confined to a medium of communication but have become the medium of employment too. This trend has led to the growth of the Gig Economy with a number of factors contributing to its rise. The Gig Economy has witnessed rapid growth worldwide, revolutionising traditional employment models. In India, the Gig Economy has emerged as a significant source of employment generation, offering unique opportunities and presenting challenges too. This research study has aimed to explore the emerging trends of the Gig Economy in India and analysed its impact on employment generation. This study was exploratory and descriptive in nature, and based on both the primary and secondary data sources. The results reveal that the Gig Economy in India is characterised by diverse sectors, such as transportation, delivery services, freelancing, and online marketplaces. It has created new opportunities for both skilled and unskilled workers, enabling them to leverage their skills, flexibility, and entrepreneurial spirit.

**Keywords:** Gig Economy, Employment Generation, Gig workers, Freelancing, Technological Innovations.

## I. Introduction

In the era of digitalization, the new form of employment has been evolved which is fully and partially based on the advanced technologies. Individuals are exploring their digital skillsets and earning extra income by doing extra work in his free time through internet. Basically the trend of getting employed through the internet facility is popularised from the global pandemic COVID-19. For this new employment trend there is an umbrella term that is called “Gig Economy”. Historically the word “gig” referred to a concert, event or any program that involved an element of entertainment which was coined in 1915 by Jazz musicians. ‘Gigs’ are the part of work or tasks done for different clients within a predetermined time frame. The Gig Economy also known as Platform Economy or Sharing Economy and has become popular globally which provides the short-term work arrangement for individuals who want to earn extra income apart from their basic income. The Gig Economy is challenging to the

conventional labor market (Veluchamy et al., 2021). According to the UK Govt. "The Gig Economy involves exchange of labour for money between individuals or companies via digital platforms that actively facilitate matching between providers and customers, on a short-term and payment by task basis" (Katriina et al., 2018). The Gig Economy works as a bridge between unemployment and permanent job, so it is important to know the significant role of this economy for providing the number of opportunities that supports individual lives. There are numerous benefits associated with the Gig Economy for both the employer and workforce perspective. However, India's Gig Economy is at a promising stage but it is attracting millennials by offering alternative employment opportunities (Chaudhary, 2021). The global job structure has seen a considerable transformation as a result of technological innovation. The increasing ascendance of digital platforms such as Uber, Airbnb, Etsy, and so on has boosted the Gig Economy. According to global freelancing and crowdsourcing marketplace Freelanceing.com, India is one of the top countries in the world where Gig Economy culture is on the rise. According to the 2016 Online Labour Index survey, 5.9% of all projects/tasks posted for online labour were from employers based in India, and 45% of those projects/tasks were to software development and technology, approximately 70 million to 1.2 billion workers are actively engaged in Gig type of workforce across the world. The Gig Economy in India has experienced significant growth and evolution over the past decade. In this context, the present study has been attempted to analyze the role of Gig Economy in Indian context, along with their opportunities and challenges related with employment.

## **II. The Gig Economy & Covid-19 Pandemic**

Individuals working remotely are becoming more and more prevalent in the contemporary digital environment. In India, number of Gig workers has increased drastically in last few years, the total estimated numbers of Gig Worker in India has increased by 76.47 percent in two years, from 8.5 million in 2016 to 15 million in 2018 and COVID-19 pandemic has had a significant effect on hiring trends (Tiwari et al. 2020). This trend accelerated during the 2020 economic crisis. The Platform or Gig Economy has grown at a much faster pace than ever before from the onset of COVID-19 pandemic. Due to COVID-19 lockdown measures, the participation in the Gig Economy has increased for the delivery of daily necessities, many retailers have started selling their products online, and also other commercial activities are done through online platforms. However, many people are doing gig jobs to serve as an additional source of income while for others it acted as a primary income source amid the tough COVID-19 crisis (Joo & Shawal, 2021).

## **III. Emerging Trends of the Gig Economy in India**

The lack of available permanent employment motivates individuals to take on contract work as independent contractors, sometimes known as "independent workers," "gig workers," or "freelancers." Millennials are the major contributors in this tendency. Before beginning permanent employment, gig platforms offer "bridge employment". The Gig Economy is mostly an urban phenomenon in India, and millennials, particularly women, are drawn attention due to the flexible nature of gig-based labour. Uber, Ola, Urban Company, Zomato, and

Swiggy are the benchmark companies in India for hiring gig workers. The mass adoption of the internet connects online users across the countries over the digital platforms. This helps organizations share their talent needs and contact the remote online workers on digital platforms (Healy et al.,2017). The Gig Economy has got popularity among the digital start-ups as it helps them to pay the lower wages to contractual workers and avoid potential law-suits by employees during economic downturns (Friedman, 2014). The progressive approach to work by millennials, hiring of contract-based professionals or workers, rapid growth of digital market-places etc. are some of the factors behind gig trend. Freelancing is currently the most popular trend worldwide and India accounts for one in four freelancers, according to a PayPal survey, 2018. The main players on the demand side of the Gig Economy are online startups, small businesses, sole proprietors and even some large companies that regularly recruit gig workers for both short and long term. The supply side is dominated by individual workers or small agencies, freelancers, freelance agencies, and independent consultants. Personal branding is a key driver of long-term growth for gig professionals.

#### IV. The Gig Economy: It's Impact On Employment and Productivity

According to the report of NITI Aayog, from 2011–12 to 2019–20, the employment elasticity of gig workers to GDP growth was consistently higher than the overall employment elasticity. Gig employment is growing across all industries. According to the classification of their employment, the retail and sales industry employed roughly 26.6 lakh (2.7 million) gig workers, while the transportation industry employed about 13 lakhs (1.3 million). The manufacturing sector employed about 6.2 lakhs (0.6 million) people, while the financial and insurance sectors employed another 6.3 lakhs (0.6 million), the report added. The four largest industry sectors—construction, manufacturing, retail, and transportation and logistics—could alone account for over 70 million of the potentially "gig able" jobs. Gig-based employment can generate significant incremental economic value and increase livelihood opportunities for low-income workers.

**Table No.1: Industrial Classification of Gig workers in Percentage Share 2011-12 to 2019-20**

S. No.	Industrial Classification	2011-12	2017-18	2018-19	2019-20
1.	Retail trade, except of motor vehicles and motorcycles	41.97	36.48	40.30	38.95
2.	Transportation and storage	20.69	20.86	17.40	19.18
3.	Financial and insurance activities	9.32	7.78	8.98	9.21
4.	Manufacturing	9.09	10.50	10.03	9.17
5.	Information and communication	6.43	7.91	7.74	7.39
6.	Accommodation and Food service activities	5.49	6.05	5.20	5.94
7.	Educational support services	2.64	2.34	2.44	1.56
8.	Construction	1.24	2.31	2.58	3.06



9.	Real estate activities	1.72	3.77	2.84	3.53
10.	Administrative and support service activities	0.64	0.36	0.68	0.55
11.	Electricity, gas, steam and air conditioning supplies	0.69	0.67	0.73	0.33
12.	Water supply; sewerage, waste management and remediation activities	0.00	0.59	0.49	0.47
13.	Other education Group	0.08	0.38	0.58	0.67
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source- India’s Booming Gig & Platform Economy, Report by NITI Aayog- June, 2022

According to the report of NITI Aayog ‘India’s Booming Gig and Platform Economy’- The Gig Economy employed 77 lakhs (7.7 million) employees in 2020–21. They made up 1.5 percent of India’s total labour force or 2.6 percent of the non-agricultural workforce.

**Table No.2: Projection for Gig Work using Employment Growth (From 2017-18 to 2029-30)**

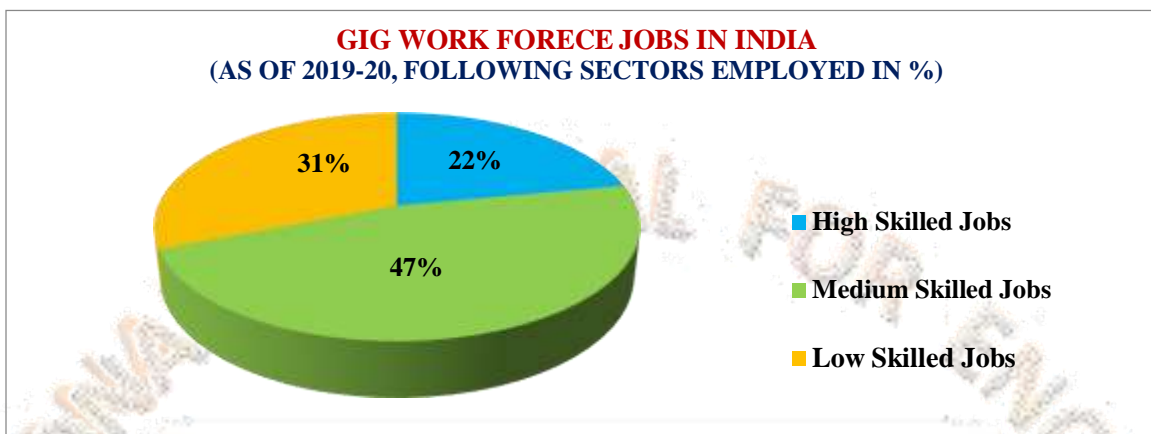
Year	Employment in Corers			Percentage		
	Employment	Non-Agri Employment	Gig workers	% of Non Agri to total Employ	Gig to total Employ	Gig to Non Agri.
2017-18 (actuals)	45.50	26.38	0.53	57.98	1.16	1.99
2018-19 (actuals)	46.75	27.62	0.54	59.09	1.15	1.95
2019-20 (actuals)	51.10	28.79	0.68	56.34	1.33	2.36
2020-21 (projected)	51.66	29.37	0.77	56.86	1.49	2.62
2021-22 (projected)	52.22	29.97	0.87	57.39	1.67	2.9
2022-23 (projected)	52.79	30.58	0.99	57.93	1.87	3.23
2023-24 (projected)	53.37	31.20	1.12	58.47	2.09	3.58
2024-25 (projected)	53.95	31.84	1.27	59.01	2.34	3.97
2025-26 (projected)	54.54	32.49	1.43	59.56	2.63	4.41
2026-27 (projected)	55.14	33.15	1.62	60.12	2.94	4.89
2027-28 (projected)	55.74	33.82	1.84	60.68	3.29	5.42
2028-29 (projected)	56.35	34.51	2.08	61.25	3.69	6.02
2029-30 (projected)	56.96	35.21	2.35	61.82	4.13	6.68

Source- India’s Booming Gig & Platform Economy, Report by NITI Aayog- June, 2022

By 2029–2030, there will be 2.35 crore (23.5 million) workers in the Gig Economy. Currently, medium-skilled occupations make up approximately 47% of gig labour, high skilled jobs make up about 22%, and low-skilled

jobs make up about 31%. The report recommended platform-led transformational and outcome-based skilling, improving social inclusion through various programs that educate workers and their families about gender issues and accessibility.

**Figure No.1**



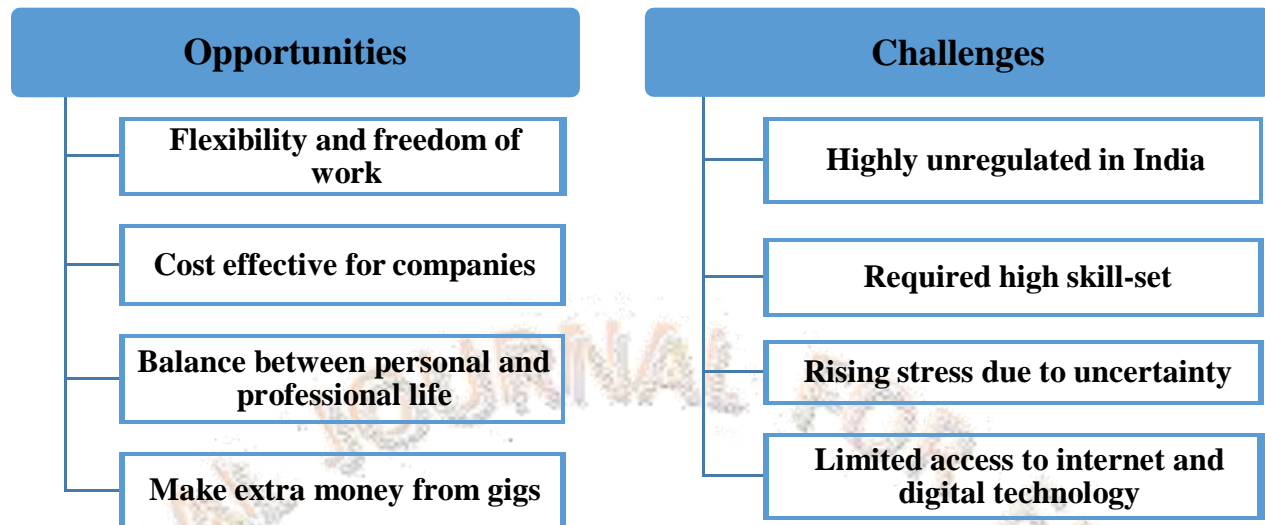
**Source-** India’s Booming Gig & Platform Economy, Report by NITI Aayog- June, 2022

According to estimates, Gig Economy businesses in India are responsible for creating 56% of all new jobs, including both white-collar and blue-collar positions. Delivery guys, drivers, and cleaners are examples of blue-collar jobs in this economy, whereas digital marketers, bloggers, designers, etc. are white-collar positions. In the Gig Economy, no. of job seekers is always more than the no. of jobs created on the digital platforms and gig workers always face stiff competition from fellow workers from other countries. Given its increasing social acceptance, India's Gig Economy has a great chance to flourish. The reason behind it the fast growing digitalization, different mind-set of millennial generation for career choices instead of traditional type of work.

### **V. Opportunities and Challenges under the Gig Economy**

The Gig Economy offers India's labour market many opportunities. The Indian economy is currently experiencing jobless growth, which prevents inclusive growth. The Gig Economy would be able to provide various jobs for young people with flexible work schedule. By doing gig jobs individual can earn more income with their primary source of income. However, the Gig Economy is mostly unregulated and prospers so, employees have scant job security and benefits. Gig Economy workers will also be required to possess some skill-sets for performing gigs. Flexibility and more career choices are the main factors that attract youngsters to enter under gig work, on the other hand for the organizations, it is cost-effective not only from freelancers’ skills but also from their outsider point of view, project-based hiring so there is no need to big staffing space, training programs, etc. There are also some issues associated with it which include uncertainty, workers' remuneration and protection, long working hours, knowing technical skills and a dearth of social interaction are some of the issues it is associated with.

Figure No.2



Source- Author

## VI. Review of Literature

(Chaudhary, 2021) described about women's employment opportunities and participation in the gig economy are growing. In India, where the labour force participation rate for women is at an all-time low, the author has discovered that there is a significant gender disparity. (Veluchamy et al., 2021) aimed to gain insights into the output of gig employees, their efficiency, and work-life balance. They have tried to explain how the performance of gig employees is affected by multiple factors specifically for the food and courier industries, such as Swiggy and Amazon delivery. They analysed the productivity and satisfaction level of gig workers. (Pal, 2021) analysed the growing popularity of the gig economy, as well as its benefits and drawbacks in both the international and Indian contexts. The author of the paper covered the most current action made by the Indian Central Government. (Mukherjee & Sujatha, 2020) A study looked at the manner in which freelance workers built their professional identities over organisational identities and how learning agility affected such identities while participating in the gig economy. (Rukhsar, 2019) The study examined the degree of awareness and perception of workers towards the Gig Economy. The writers also examined the issues and some potential fixes. They've discovered that the gig system allows for greater networking both inside and outside of the company, and it doesn't impose any restrictions on the talent. (Banwari, 2018) analysed the trend of the "gig economy," which is rapidly expanding across all industries in the nation and is dependent on electronic platforms. The author has discovered that this economy has both potential advantages and difficulties. With the help of educational institutions and the government, the challenges may convert into opportunities. (Chaudhry, 2019) This paper investigated the impact of the Gig Economy on the millennial generation like what encourages them to enter under gig work and whether the perceived advantages and disadvantages are different to the generic working structures and its population.



## VII. Objectives of The Study

1. To determine the factors those increases the trend of Gig Economy.
2. To examine the role of Gig Economy towards employment generation.
3. To examine the prospects and challenges under the Gig Economy.

## VIII. Research Methodology

This research is the mixture of explanatory and descriptive methods based on the nature of the topic. The study is conducted with the help of both the primary and secondary data. For the primary data collection, we have randomly circulated online questionnaire and got 125 responses from general public and gig work-force in India. Secondary data have been collected through the previous research studies, articles, journals, through access of many websites and data issued from the government ministries. Data analysis has been done through percentage analysis. By using the primary and secondary data we are able to analysis data and reached to the conclusion part.

## IX. Analysis and Findings

For India, four industrial sectors can be identified as the ones with the highest potential to produce “gigable” jobs in the future: Construction sector, Manufacturing sector, Retail sector, and Transportation & Logistics sector in the report and also gig work is expanding in all sectors. According to the classification of their employment, the retail and sales industry employed around 26.6 lakh (2.7 million) gig workers in 2019–20, and this sector also saw growth of 7.8 lakhs (0.8 million) from 2011–20. The transportation industry employed nearly 13 lakhs (1.3 million) gig workers in 2019–20. In 2019–20, the insurance and financial services sectors employed approximately 6.3 lakh (0.6 million) people, compared to about 6.2 lakh (0.6 million) in the manufacturing industry. By 2019–20, the number of people working in the education industry increased from 66,000 to over one lakh. Through the primary data collection, we have got 125 respondents from 10 different states, it gives the idea about the present scenario of gig and platform jobs in their state but the information is a little bit diverse. From the total respondents more than half (57.6%) lies in the age group of 22–25 years. and the second age group is 26–30 with 23.2% and the remaining lies in the age group of above 30 years. Here are some points that provides the information about the general awareness and the role of Gig Economy towards employment, its opportunities and challenges in India which are as follows:

1. The awareness about gig jobs is very much increased in past few years, now every eight out of ten (80%) people know about these types of jobs but there is fear in the mind of people related to job security, that is the main reason for non-acceptance of these types of work as full time career choices.
2. The Gig Economy is creating number of employment opportunity for individual in different sectors from IT sector to educational sector.
3. Flexible working environment is the most liked factor by many people (more than 50%) because gig and platform work provides the advantage of becoming their own boss and many other benefits.

4. These jobs facilitate work life balance between professional and personal life because of flexibility which is the main reason that most of the people are doing gig jobs.
5. Approximately 70% of the people's opinion is that the current working environment likes outsourcing, freelancing work is better than traditional working.
6. More than 80% people think that gig jobs will help in reducing the unemployment which is relatively high in India. Near about 89% of people consider freelancing or contractual type of jobs have a bright future in the Indian Economy.
7. According to the study near about 80% of people would like to do gig jobs if they ever get an opportunity.
8. But still a big group of people feels that they are not able to find work according to their qualification in the Gig Economy and contact between people who are doing gig types of job is very low.

## X. Conclusion

In the new era of fourth industrial revolution, the Gig Economy is on rise and it has potential to bring a drastic change for developing countries like India. For the betterment of workers in the Gig Economy, challenges can be converted into opportunities with the collaboration between Government and platform companies. Due to low entrance requirements for workers, gig and platform work in India may lower the unemployment rate. With the primary data we can also say that the majority of people have less annual earning from gigs, on the other hand people like the flexibility of work and doing different type of jobs under Gig Economy. Overall the Gig Economy is increasingly promoting the employment in India and it will be the future of new work culture.

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