

**GIG WORKERS IN INDIA: A STUDY**

*\* Sanjay Laxman Mundhe*

\* BNN College, Bhiwandi

**Abstract :**

*In India an emerging gig economy, its growth trends, and the transformation of work in various sectors. It highlights the increasing prominence of gig and platform-based work across sectors such as construction, manufacturing, retail, transportation, logistics, and more. These sectors are projected to generate over 70 million gig jobs in the future. The report classifies gig workers into platform and non-platform workers, discussing their demographic characteristics, including age, education, income levels, and technology usage.*

*The study also provides insights into the geographical distribution of gig workers, noting that gig work is primarily urban, though it is gradually expanding into Tier 2 and Tier 3 cities. Over the period from 2011-12 to 2019-20, gig workers grew significantly, with the share of gig workers in the total workforce rising from 0.54% to 1.33%. Despite the growth in the gig sector, informal work continues to prevail, both within the organised and unorganised sectors, with gig work contributing to the informalisation of the labour market.*

**Key words:** *Gig economy, prominence, workforce, gig sector*

**Copyright © 2025 The Author(s):** This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

**Introduction:**
**What is the gig economy?**

The gig economy—also called sharing economy or access economy—is activity where people earn income providing on-demand work, services or goods. Often, it's through a digital platform like an app or website.

A gig economy, also known as the sharing economy or access economy, relies heavily on temporary and part-time positions filled by independent contractors and freelancers rather than full-time permanent employees.

The Gig economy is a free market system in which temporary, flexible jobs are commonplace and companies bring on independent contractors and freelancers instead of hiring full-time employees for short-term projects. A Gig economy encompasses all platforms that hire independent contractors, consultants, and workers in different sectors, such as

information technology, content creation, social media marketing, communications, food and beverages, and other creative fields such as art and design. The Gig economy can be categorised into low, medium, and high-skilled ecosystems. The medium to high skilled jobs are mainly those that can be delivered by a Gig worker without any physical operation required like freelancers, independent consultants, direct contract employees, etc, which could be considered as white-collar jobs.

Whereas the low-skilled jobs offered through various work-on-demand platforms and aggregators require a physical operation to complete their tasks, which could be considered blue-collar jobs. The sudden rise in Gig employment due to the influx of aggregators is primarily seen in low-skilled jobs.

Gig workers have flexibility and independence but little or no job security. In a gig economy, employers save money when they do not have to provide

benefits such as health coverage and paid vacation time.

Compared to a traditional workplace and timings of a regular 9-5 job, Gig workers get the freedom to work for several employers at the same time while retaining their independence. Further, they have the freedom to decide their remuneration, as well as the choice to pick the projects that suit them best. A Gig economy holds benefits for employees as well as companies. For workers, there is the flexibility to work when you want, on what projects you want to be associated with across geographies (where possible), while for organisations a flexible workforce helps them manage costs according to the demand, while still utilizing relevant skills.

While the concept of a Gig economy is fast catching on, there remains significant potential for it to grow further. Today, India is among the fastest-growing Gig economies in the world with the increase being driven in part through government initiatives such as Start-up India, Skill India, and Digital India, among others.

### **Objective:**

To examine the gig workforce in India, analyzing its growth, characteristics, and potential impact on the country's labor market.

### **Methodology:**

The study is mainly based on secondary data and information. The information's were collected from various published sources. Such sources include books, journals, government report and publications, research articles, websites, newspapers, etc.

### **Gig Industries and Occupations:**

Gig work is currently not spread across all sectors of the economy, though it has the potential to become a major form of work in future. The BCG study identified four industry sectors as the ones with the highest potential to produce “gigable” jobs in the future. Construction, Manufacturing, Retail, and

Transportation and Logistics would accommodate over 70 million of the potentially “gigable” jobs in the future. The IBEF report cites other industries that are transforming to gig such as textile, banking and financial services, electricity, gas and water; real estate, IT and ITES, education, personal services. IBEF reports that MNCs are now turning to flexible hiring options. Currently more than 75% of the companies have less than 10% gig headcount, but this proportion is bound to rise. The future for such gig hiring may increase from 15% in 2020 to nearly 70% in another 5 years in the FMCG industry, and similarly in other related industries. Currently, the popular occupations include driving, delivery of goods, customer India's support, transactions processing, marketing and sales, software development etc.

### **Type of Gig Workers:**

Gig workers can be broadly classified into platform and non-platform-based workers. Non-platform gig workers are generally casual wage workers and own-account workers in the conventional sectors, working part-time or full time. Platform workers are whose work is based on online software apps or digital platforms. Location-based platforms allow in-person work at specific locations, such as delivery or driving while web-based platforms enable workers to perform online tasks for clients around the world.

### **Gig Worker Characteristics:**

Gig workers seem to differ from conventional workers in terms of some individual characteristics. Gig workers are comparatively young, working for fewer hours a day on gig work, preferring a flexible work schedule, typically with low to middle level of education. Income through gig work is not their primary source of income and they are often holding another regular job. They value transparent, timely and assured payments while non-wage benefits are not attractive to such workers. Apart from these

common characteristics there are specific characteristics.

**a. Location:** Gig work, especially location based gig work is largely concentrated in the urban areas. An essential feature of gig work is to be able to do small parcels of tasks within a short period of time. In order for such work to be economically viable for workers, the search cost for jobs must be low. Agglomeration economies are crucial for such fragmented jobs to be matched among workers, job creators (such as digital platforms), and final clients. Gig work had remained local and not grown in the past mainly due to the huge coordination and monitoring costs associated with such work. Information Technology in the form of smart phone powered platforms has reduced this transaction cost substantially in the recent past, thus enabling the possibility of gig work growing beyond the local. The geographical spread of gig work – now, much beyond local – however, is constrained by the need for agglomerations to reap economies of scale and scope. Hence, such work remains largely urban, concentrated within large cities of the country. Today, though, there is penetration of such services in the hinterlands as well, i.e. smaller urban formations (Tier 2 and 3 cities). After analysing the locational specificities of various platform-based firms we found that a large share of their operations were located within metropolitan cities.

**b. Age Group:** This study has included the age group of 18-45 years as the potential age group for estimating workers in the gig and platform sector. The selection of this age group as a characteristic for estimating workers in this sector may lead to an underestimation, but is in line with the findings of a number of studies that have noted that gig workers are young workers compared to non-gig workers. A 2019 study shows that the average age

group of app-based taxi drivers was concentrated within the ages of 18-45 years, while the age ranged from 18 to 65 years for conventional taxi drivers.

**c. Education:** Growing evidence from around the world shows that work of all degrees of complexity is gable. Thus gig work requires a range of skill sets. For starters, maneuvering a platform system through complex interfaces of technology and organizations may demand basic levels of education. And for higher complexity jobs such as accounting or coding relevant educational qualifications might be needed and even demanded by clients. In this backdrop, it is noteworthy that studies have found gig workers in general to have educational levels ranging between secondary school and graduation, mirroring the larger trends in the Indian economy where educational levels are constantly rising. Thus, we use this range in the level of education (i.e. secondary school to graduation) as the proximate educational qualification of typical gig workers.

**d. Income Level:** We assume that gig work is largely undertaken for augmentation of existing income, based on micro studies in India. Most of the jobs that are getting gigged or platformized are the ones with lower degrees of complexity. From the above it can be deduced that most individuals belonging to the high income category households may not be part of the gig workforce, at least for the time being. Treating this as our basic assumptions, we consider those workers whose household consumption expenditure was below the 75th percentile of monthly per capita consumption expenditure (MPCE) as potential gig workers.

**e. Type of Employment:** Gig work is urbanized and operates mostly within the non-agricultural sector of the economy. We consider this feature as

another characteristic of the gig worker.

**f. Ownership of Mobile Phones:** All platform-based gig workers require ownership or access to mobile phones or similar electronic devices to operate the software interface. We consider that only those workers who have mobile phones are potential gig workers.

**g. Bank Account:** Most app-based or platform-based services pay on piece rate or task rate. The payment is done only through authorised banks, as other forms of payment are unviable. The online banking system is an important innovation that enables and powers the operation of the platform economy. Hence, we assume that all workers who are part of the gig economy require to have a bank account

### Estimate of Gig Workers in India:

The estimated size of gig workers in India was about 68 lakh, using both principal and subsidiary status. The total number of workers increased from about 25 lakh

in 2011-12 to 68 lakh in 2019-20. The number of gig workers who spend the majority part of the reference year as gig workers (Usual Principal Status) were 24.5 lakh in 2011-12 which increased to 67 lakh in 2019-20. Those that did such work for a shorter period of the year (Usual Subsidiary Status) increased from about 0.7 lakhs to 1.1 lakhs during 2011-12 to 2019-20. As mentioned above, these are workers that have gig worker like characteristics, with a possible over-estimation as some of these workers may not be engaged in gig work.

### Estimated Number of Gig Workers in Lakhs

Year	No. of Gig workers (UPS)	No. of Gig workers (USS)	No. of Gig workers (UPSS)
2011-12	24.5	0.7	25.2
2017-18	52.1	0.5	52.6
2018-19	53.4	0.5	53.9
2019-20	67.0	1.1	68.0

Source: NITI Aayog, June 2022 India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work, page no. 19

As per our estimates only a small fraction of the total workforce is part of the gig workforce as of now. Currently, about 1.33% of the total workers (UPSS) are gig workers. In terms of UPS workers it was 1.37% and subsidiary status was only 0.49% of the subsidiary workers. However, it can be seen that there is a steady increase in the share of gig workers in total workers, from 0.54% in 2011-12 to 1.33% in 2019-20.

### Gig Workers as a Share of Total Workforce 2011-12 to 2019-20

Year	Share of Gig workers (UPS)	Share of Gig workers (USS)	Share of Gig workers (UPSS)
2011-12	0.57	0.18	0.54
2017-18	1.18	0.40	1.16
2018-19	1.18	0.28	1.15
2019-20	1.37	0.49	1.33

Source: NITI Aayog, June 2022 India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work, page no. 20

The increase in the share of gig workers over the period is corroborated by the difference in employment elasticity as well. The employment elasticity to GDP growth for gig workers was above one throughout the period 2011-12 to 2019-20, and was always above the overall employment elasticity. During this period the employment growth was nearly twice that of the GDP growth. The higher employment elasticity for gig workers also indicates the nature of economic growth, which created greater demand for gig workers while not generating commensurate demand for non-gig workers. This nature of economic growth points towards greater conversion of non-gig work to that of gig-work.

#### Share of Gig Workers in the Organised and Unorganised Sectors

Year	% in organised sector	% in unorganised sector	Total
2011-12	25.9	74.1	100
2017-18	30.6	69.4	100
2018-19	35.7	64.3	100
2019-20	37.6	62.4	100

Source: NITI Aayog, June 2022 India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work, page no. 20

However, when the share of workers in the organised sector increased substantially during the period, the share of informal workers remained more or less the same, or even marginally increased. Informal workers are defined as those workers who do not have a written contract for at least a year and are working in the non-agricultural sector. More than 80% of such workers were in informal labour relations. This share was at 83.7% in 2011-12 which declined to 81.8% in 2017-18, but increased to 82.5% in 2019-20. Thus there is persistence of informal work relations in the sector. When we read this along with the trends in the organised sector, it can be seen informal work is now penetrating the organised sector workforce through the gig and platform modes of work. Informalisation of the organised sector is recorded in previous studies but these were mainly on account of contractual employment rising within the organised sector. But the trends above shows that apart from contractual employment within the organised sector, gig or task based forms of employment is also adding to the informality in the organised sector.

#### Gig Workers: Formal and Informal

Year	Formal	Informal	Total
2011-12	16.3	83.7	100
2017-18	18.2	81.8	100
2018-19	18.6	81.4	100
2019-20	17.5	82.5	100

Source: NITI Aayog, June 2022 India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work, page no. 20

In terms of industrial classification, about 26.6 lakh gig workers were involved in retail trade and sales, and about 1.3 million were in the transportation sector. About 6.2 lakhs were in the manufacturing and another 6.3 lakhs in the finance and insurance activities. It can also be seen that gig work is expanding fast in almost all sectors. For instance the retail sector saw an increase of 15 lakh workers during 2011-12 to 2019-20, transport sector 7.8 lakhs,

manufacturing – 3.9 lakhs. Similarly, in the education sector, the expansion was from 66,000 to more than one lakh by 2019-20.

### Conclusion:

The estimated size of gig workers in India increased from about 25 lakh in 2011-12 to 68 lakh in 2019-20, with the majority being in *Usual Principal Status* (UPS), which grew from 24.5 lakh to 67 lakh. *Usual Subsidiary Status* (USS) workers also increased from 0.7 lakh to 1.1 lakh during the same period. Despite this growth, gig workers still make up only a small fraction of the total workforce, with gig workers constituting around 1.33% of the total workforce in 2019-20. The share of gig workers has steadily risen from 0.54% in 2011-12.

The higher employment elasticity for gig workers (growth in gig jobs exceeding GDP growth) indicates that the demand for gig workers has increased due to economic growth, even as demand for non-gig workers remained lower. Despite the growth in the organized sector, the proportion of informal workers has remained largely the same, highlighting the persistence

of informal work relations. Gig work is contributing to the informalization of the organized sector.

In terms of industry, significant numbers of gig workers are involved in retail trade (26.6 lakh), transportation (1.3 million), manufacturing (6.2 lakh), and finance (6.3 lakh). The gig economy has expanded across multiple sectors, with notable growth in retail (15 lakh more workers), transportation (7.8 lakh), and manufacturing (3.9 lakh) between 2011-12 and 2019-20. Gig work has also increased in the education sector, with the number of gig workers growing from 66,000 to over 1 lakh in the same period.

### References:

- 1) NITI Aayog, June 2022 *India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work*,
- 2) <https://www.primuspartners.in/reports/the-rising-gig-economy-of-india>
- 3) <https://www.investopedia.com/terms/g/gig-economy.asp>

### Cite This Article:

**Mundhe S.L. (2025).** *Gig Workers in India: A Study*. In **Aarhat Multidisciplinary International Education Research Journal**: Vol. XIV (Number II, pp. 40–45).