

ANALYSING THE RISE OF INDIA'S GIG ECONOMY, YOUTH ATTRACTION AND THE ILLUSION OF STABILITY

*** Dr. Surekha R. Dhende**

** Head, Dept of Commerce, BNN College, Bhiwandi.*

Abstract :

The gig economy has changed labour dynamics by providing flexibility and new earning opportunities. As technology advances, the gig economy will evolve, creating both benefits and challenges for individuals, firms, and policymakers. However, it raises questions about wage stability, benefits, and job security. In India, the gig economy has risen significantly, particularly among young people and has emerged as an important component of the job market. This study seeks to shed light on its long-term viability as a career option for India's youth. This study also looks at its emergence as a new employment pattern, as well as the issues it brings.

The study uses secondary data from papers and studies to determine whether gig labour is a feasible long-term job or a transitory choice. The findings show that, while it promotes independence, it lacks stability, especially for women and low-skilled workers.

Keywords: Gig Economy, gig worker, Youth Employment, platform workers, Job Stability

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:

1. The Gig Economy: A Detailed Overview

The Gig Economy is a labor market distinguished by short-term, flexible jobs or "gigs" rather than long-term, full-time employment. Workers in the gig economy are generally self-employed or on short contracts, and they are typically connected to clients or customers through online platforms. These platforms provide a variety of occupations, including freelance labor, micro-jobs, and on-demand services, in sectors such as transportation (Uber, Lyft), lodging (Airbnb), food delivery (Swiggy, Zomato), content creation (YouTube, Fiverr), and more. A gig worker is a person who engages in income-earning activities outside of a traditional employer-employee relationship, as well as in the informal sector (Ministry of Labour and Employment, 2020a). When gig workers use

platforms – i.e., websites or apps like Ola, Uber, Dunzo, Zomato, Swiggy or Urban Company – to connect with customers, they are called platform workers (OECD, 2019).

According to a white paper by the Forum for Progressive Gig Workers, the gig economy in India is projected to grow at a compounded annual growth rate (CAGR) of 17%, reaching USD 455 billion by 2024, driving significant economic growth and employment opportunities. In the gig economy, businesses or individuals hire workers for short-term jobs, and workers have control over when, where, and how much they work. Gig workers are typically classed as independent contractors, which means they do not receive regular job benefits like as health insurance, retirement savings, or paid leave. Gig economy platforms use digital tools to match workers to

gigs, coordinate payments, and track work performance. According to a 2019 survey, the average age group of app-based taxi drivers was 18-45 years, but conventional cab drivers ranged from 18 to 65 years (Ramachandran & Raman, 2021). According to a 2018 study performed by the Observer Research Foundation and the World Economic Forum, 35% of women respondents were disinterested in working in the gig economy due to a lack of job security and an unpredictable employment status (Kasliwal 2020). Across the globe, the app-based taxi and delivery sectors are overwhelmingly male. Women account for less than 10% of workers in these sectors. Only in some countries is the proportion of women significantly greater, such as in Indonesia's app-based taxi business (13%), where female-only taxis are favored by some female clients to reduce the danger of violence and harassment (Straits Times 2015, ILO 2021:137-38). According to the WESO Report (ILO 2021), platform work is the principal source of income for many workers in developing countries (44%), particularly women (52%).

2. Status of the Gig Economy in India: The rapidly expanding gig economy is ushering in a new economic revolution around the world. India, with its demographic dividend of a half-billion labour force and the world's youngest population, growing urbanisation, and broad use of smartphones and accompanying technology, is the revolution's new frontier. Key sectors cover are Transportation and Delivery Services, Freelance Services, Hospitality and Accommodation, Creative and Digital Content, Task and Errand Services.

Market Size: According to NITI Ayog report, 2022 India's gig economy is quickly increasing.

- In 2020-21, there were approximately 7.7 million gig workers, which is expected to expand to 23.5 million by 2029-30.
- This industry has a combination of low, medium, and high-skilled jobs, with a large proportion of medium-skilled roles.
- E-commerce, transportation, and delivery services are three key industries fueling the gig economy's expansion, all of which benefit from the growing need for flexible work arrangements.

3. Evolution Gig Economy:

The gig economy, while centuries old, has evolved tremendously with the internet and digital platforms.

- 1990s: Temporary staffing firms and independent freelancers established an informal gig economy.
- 2000s: Platforms such as eBay (1995) and Amazon Mechanical Turk (2005) facilitated online work and crowdsourcing.
- 2010s: Mobile apps fuelled growth—Uber and Lyft transformed transportation, Airbnb transformed hospitality, and platforms such as Upwork and Fiverr increased freelancing opportunities.
- 2020s: The COVID-19 epidemic has boosted gig employment in healthcare, education, and customer service. Platforms such as Amazon Flex and Freelancer.com have pushed gig employment across industries.

4. India's Initiatives Related to Gig Workers in India:

- Code on Social Security, 2020: This act recognizes gig workers as a separate category and envisages extension of social security benefits to them. However, it has been criticized for lacking legal mandates, universal

coverage, and accountability mechanisms for gig workers.

- e-Shram Portal
- Pradhan Mantri Shram Yogi Maandhan Yojana
- Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

State-level initiatives:

- Rajasthan's Platform-Based Gig Workers (Registration and Welfare) Act, 2023.
- Karnataka's Bill on Gig Workers: This bill mandates formal registration, grievance mechanisms, and transparent contracts.

5. Role the Gig Economy Play in Employment Generation in India:

- By 2030, the Gig Economy is projected to add 1.25% to India's GDP and create over 90 million jobs.
- By 2030, gig workers are predicted to account for 4.1% of the overall workforce, making them a significant part of India's labor market.
- The gig economy provides alternative pay streams for workers, particularly in fast-growing Tier-II and Tier-III cities.
- Increasing earnings prospects for women can lead to greater financial independence and workforce integration.
- Initially dominated by high-income earners and consultants, gig labor is now popular among entry-level workers seeking flexibility and skill development.
- The gig economy is expected to boost job creation and economic growth by leveraging AI, predictive analytics, and digital innovation.

6. Challenges of the Gig Economy in India:

While the gig economy provides flexibility, it does have drawbacks:

Job Insecurity: Lack of job stability is a key concern, with 20% of unsatisfied gig workers citing it as the most pressing issue. This is

especially prevalent among unskilled workers, with more than 30% describing it as their most important employment driver. Workers such as security guards endure financial insecurity owing to sporadic revenue.

Income volatility: Earnings are unpredictable, depending on demand, competition, and seasonal trends, making financial planning difficult and restricting access to loans and credit.

Regulatory Gaps: In the absence of a complete legal and regulatory framework, gig workers are prone to abuse since they lack protection for fair wages, rights, and working conditions.

Lack of Benefits: Gig workers frequently find themselves in a gray area between organized and unorganized labor, restricting their access to benefits such as healthcare, pensions, and insurance.

Timely Payments: Delays in payments dissatisfy more than 25% of gig workers, emphasizing the importance of timely, transparent, and shorter payment cycles to avoid financial strain.

Learning and Personality Development: Gig workers, particularly Ambitious Hustlers and Earn to Burn, describe a lack of skill-building chances and show a desire for tasks that will progress their careers.

Objectives of study:

1. To analyze the rise of the gig economy in India.
2. To explore the factors attracting youth to gig work.
3. To examine the challenges and risks associated with gig work.
4. To evaluate whether the gig economy offers sustainable career prospects for India's youth.

Review of Literature:

Kalleberg (2011) emphasized that non-standard labor arrangements, such as gig and contractual employment, frequently lack job security and social

benefits, making them a risky alternative to traditional employment. Similarly, Friedman (2014) noted how platform-based work provides freedom but does not assure financial stability for employees.

In the Indian context, Mehta (2020) investigated the growing preference for gig labor among young people, which is motivated by reasons such as autonomy, quick cash, and digital access. However, the study raised worries about income volatility and a lack of professional advancement. Kapoor and Sinha (2021) stated that, while the gig economy generates significant employment, its unregulated nature raises concerns about labor rights and job security.

Furthermore, a report by NITI Aayog (2022) predicted that India's gig workforce will grow fast, necessitating legislative interventions to address issues like as minimum salaries, social security, and legal recognition. The International Labour Organization (ILO) (2021) found that a structured framework is required to help gig workers and promote fair work practices.

Research Methodology:

1. Research Design: This study is an exploratory research which analyze the gig economy, its growth, and its impact on India's youth. The research is qualitative and secondary in nature.

1. Data Collection Method: Since this study is based on secondary research, data has been

collected from Government reports (e.g., NITI Aayog Report on India's Gig Economy), Industry reports from organizations such as Statista, World Economic Forum, and McKinsey & Company, Academic research papers, journals, and articles from reputed sources, News articles from Economic Times, Business Standard, and Forbes, Online databases and market research reports on gig work trends

2. Statement of the Problem: India's gig economy is rapidly expanding, luring young people seeking flexible jobs and quick cash. Digital platforms have made freelance and contract work more prevalent, but long-term viability remains dubious. This study investigates whether gig labour provides actual stability or exposes employees to financial dangers. Understanding these dynamics is critical for understanding the impact on India's workforce and economy.

3. Data Analysis

India's gig economy has experienced significant growth over the past decade, with projections indicating continued expansion. Below is a summary of the available data on the number of gig workers by sector and their respective employment percentages:

Number of Gig Workers by Sector (in Lakhs):

| Sector | 2011-12 | 2019-20 | (2020-21): % Share |
|------------------------|---------|---------|--------------------|
| Retail Trade and Sales | 11.6 | 26.6 | 39% |
| Transportation | 5.2 | 13.0 | 19% |
| Manufacturing | 2.3 | 6.2 | 9% |
| Finance and Insurance | 2.4 | 6.3 | 9% |
| Education | 0.66 | 1.0 | Data not available |

Sources: NITI Aayog Report on India's Gig Economy

Statista: Share of Gig Workers by Industry in India

Sectorial Distribution: In 2020-21, the retail trade and sales sector accounted for the largest share of gig workers at 39%, followed by transportation at 19%.

Total Gig Workforce and Employment Percentage:

| Year | Total Gig Workers (in Lakhs) | Non-Farm Workforce (%) | Total Workforce (%) |
|---------------------------------------|------------------------------|------------------------|---------------------|
| 2011-12 | 24.5 | Data not available | 0.54% |
| 2019-20 | 68.0 | 2.4% | 1.3% |
| 2020-21 | 77.0 | 2.6% | 1.5% |
| 2029-30 (Projected figures) | 235.0 | 6.7% | 4.1% |

Sources: NITI Aayog Report on India's Gig Economy, June 2022

Growth Trends: The gig workforce in India increased from 24.5 lakh in 2011-12 to 77 lakh in 2020-21, with projections estimating a rise to 235 lakh by 2029-30.

Skill Composition of Gig Workforce (2020-21):

| Skill Level | Percentage Share |
|----------------|------------------|
| Low-Skilled | 31% |
| Medium-Skilled | 47% |
| High-Skilled | 22% |

Sources: NITI Aayog Report on India's Gig Economy

Statista: Share of Gig Workers by Industry in India

Interpretations: Skill Distribution: As of 2020-21, medium-skilled jobs constituted the largest segment of gig work at 47%, with low-skilled and high-skilled jobs comprising 31% and 22%, respectively.

Findings:

1. Retail trade and sales dominate India's gig workforce, employing 37%, while 19% are engaged within the transportation sector.
2. Gig workforce increase from .50% to 1.5% within ten years and expected to increase 4.1% till 2030.
3. Gig worker does not require High-skilled, as 47% workforce engaged are from Medium-Skilled level.
4. These figures underscore the significant role the gig economy plays in India's labor market and highlight the need for policies that address the unique challenges faced by gig workers.

Scope of the Study: This research covers:

- The historical development and global acceptance of the gig economy.
- The growth of India's gig workforce across different sectors.

- How gig work is perceived by today's youth in terms of convenience, accessibility, and adaptability.
- Challenges related to job security, benefits, and regulatory frameworks.

Limitations of the Study:

- Since the study is **based on secondary data**.
- The research relies on **available reports**.
- Gig work is **constantly evolving**, and newer trends may emerge beyond the scope of the study.

Conclusion: India's gig economy has expanded dramatically, with retail trade, sales, and transportation leading job sectors. Over the last decade, the workforce has grown from 0.5% to 1.5%, with forecasts suggesting that it will reach 4.1% by 2030. This trend demonstrates the growing reliance on gig labor, particularly among medium-skilled workers, who make up 47% of the gig economy.

While gig labor offers flexibility and income potential, it also brings a number of difficulties that require rapid action.

Gig workers experience employment uncertainty, changing demand, and a lack of social security benefits such as health insurance and pensions. Earnings remain volatile due to platform algorithms and competition. Limited career growth impedes skill advancement, and insufficient labor rules leave workers vulnerable, exacerbating financial volatility in the gig economy.

India must implement strong policies to protect gig workers' rights, including legal covering and social security benefits such as insurance and pensions. Fair wage standards can help to prevent exploitation, while skill-building programs can help people advance in their careers. Platforms must be held accountable for worker welfare, and awareness campaigns should educate workers about their rights. It is concluded that, the gig economy is important for creating jobs, its long-term viability is dependent on addressing these fundamental difficulties. A balanced approach that includes government action, business responsibility, and worker empowerment will be required to transition gig work into a long-term and equitable employment paradigm. Strengthening policies and protections will benefit workers' livelihoods while also contributing to India's overall economic growth and stability.

Recommendations: Building a Sustainable Gig Economy Requires Shared Responsibility:

1. Enforce robust labor laws to ensure fair salaries, employment stability, and social benefits such as health insurance and pensions. Invest on skills development.
2. Companies should provide equitable wages,

incentives, and career opportunities to retain and empower employees.

3. Businesses should educate gig workers on their rights and financial planning for stability.
4. For young people, it's important to upskill, diversify income sources, and regard gig work as a temporary opportunity rather than a permanent job.

Bibliography:

1. Friedman, G. (2014). *Workers Without Employers: Shadow Corporations and the Rise of the Gig Economy*. *Review of Keynesian Economics*, 2(2), 171–188.
2. International Labour Organization. (2021). *The Role of Digital Labor Platforms in Transforming the World of Work*. Geneva: ILO.
3. Kalleberg, A. L. (2011). *Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States, 1970s-2000s*. Russell Sage Foundation.
4. Kapoor, R., & Sinha, A. (2021). *India's Emerging Gig Economy: Trends, Challenges, and Policy Considerations*. *Economic and Political Weekly*, 56(12), 45-52.
5. Mehta, S. (2020). *The Youth and Gig Work: Opportunities and Challenges in India*. *Journal of Labour Economics*, 15(3), 87-102.
6. NITI Aayog. (2022). *India's Booming Gig and Platform Economy: Pathways to Sustainable Growth*. New Delhi: Government of India.
7. <https://www.drishtiias.com/daily-updates/daily-news-analysis/rise-and-challenges-of-india-s-gig-economy#:~:text=About%3A%20The%20gig%20economy%20refers,traditional%20full%2Dtime%20employment%20contracts.>

Cite This Article:

Dr. Dhende S.R. (2025). *Analysing the Rise of India's Gig Economy, Youth Attraction and the Illusion of Stability*. In **Aarhat Multidisciplinary International Education Research Journal**: Vol. XIV (Number II, pp. 119–124).