

THE IMPACT OF GIG ECONOMY ON TRADITIONAL ECONOMY

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Abstract:

Social media and online platforms has given rise to gig economy. Due to spread of gig workers the trend of short term and contractual agreements based jobs has increased. This paper talks about some advantages of gig economy due to this communication, corporate work, to find a job opportunity becomes smooth on the other hand in traditional economy it was difficult to connect with each other, there was a lack of internet, lack of social media, lack of advance payment methods etc. To collect data researcher took sample of 65 and use questionnaire method of data collection. The research findings highlight both the benefits and challenges of the gig economy in relation to traditional employment. While flexibility and work-life balance are significant advantages, financial uncertainty and lack of job security remain key concerns.

Key Words: Gig Economy, Traditional Economy, Freelancer, Skill Development.

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Introduction:

Gig worker means a person who work on a contractual basis and for a short period of time like Free lancers as oppose to permanent jobs. With a intense competition to get job opportunity researcher study how on demand employee make decisions like work timing, work place and work tenure. Due to easy working pattern and comfortable working environment number of gig workers are growing rapidly for their primary employment. However they lack job security, fixed monthly income, on the other hand in traditional economy employee/ worker is having structured job, fixed monthly income, job security. This study investigates how traditional economy hits by gig economy.

Objectives:

- 1) To find out effect of gig economy on career and skill development of gig workers / employees.
- 2) To explore availability of gig workers or free lancers to give opportunities for different online platforms.

Literature review:

- 1) The Impact of Behavioral and economic drivers on gig economy workers, Gad Allon, Maxime C. Cohen, Wichinpong Park Sinchaisri et.al, 2023
This research paper mentioned that online platforms routinely runs experiments to validate insights, testing the income of target samples.
- 2) The spread of gig economy: Trends and effects (Nilanjan Banik, Milind Padalkar, 2021)
In this study researcher state that need for targeted measures to adapt the economy to the new model, it includes creating new employment opportunities for “traditional” staff, due to gig economy old employees can loose their jobs.
- 3) The study of working patterns in the gig economy Yen fan Lo, Kun.Lin,H seih, 2023
This study finding are directly related to job satisfaction, handsome salary, flexibility in working hours. Job satisfaction increase when there is more flexibility in terms of location and time also when there is more decision making power.

- 4) Future of gig economy opportunities and challenges
Gobinda Roy and Avinash k Srivastava, 2020
according to the study there is increasing opportunities what in corporate world strong branding for freelancer can be created by gig economy.
- 5) Gig economy, smart contracts and description of traditional work arrangements, Orang bulk and Liya Palagashvli, 2018. This paper explain how Technology has reduced the cost of transacting with the market and lowering monitoring cost and also explain 'contract at will' employment

Research gap:

Most of the researchers have discussed the positive aspects and benefits of the gig economy, but very few have addressed the challenges faced by freelancers and other gig workers in achieving long term growth. Additionally, there is limited research on how they can build their own sustainable business to thrive in a competitive world.

Research Methodology:

To study this data researcher took demographic variables and took a sample of 65 individual, this data has collected from different age groups like college students, teachers, other professionals. In this paper researcher use questionnaire method of primary and secondary data collection by using 5 grade Likert scale which results in strongly disagree, disagree, neutral, agree, strongly agree. Following questions includes in questionnaire.

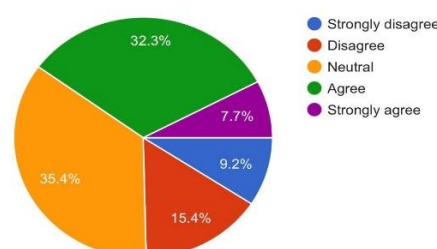
1. Gig-based work provides greater job satisfaction compared to traditional employment due to flexibility and autonomy.
2. The lack of long-term job security in gig work negatively affects overall job satisfaction.
3. Gig workers have more control over their work-life balance compared to traditional employees.
4. The gig economy provides stable and predictable income opportunities for workers.

5. Traditional employment offers better financial security and benefits compared to gig-based work.
6. Gig workers face higher financial uncertainty due to inconsistent earnings and lack of employment benefits.
7. The growth of the gig economy has led to significant changes in corporate hiring strategies.
8. Labor policies need to be reformed to better support gig workers with benefits such as healthcare and retirement plans.
9. The gig economy has contributed to economic growth by increasing job opportunities in various sectors.
10. The increasing shift towards gig-based work is reshaping traditional employment structures and workplace norms.

3) Gig workers have more control over their work-life balance compared to traditional employees.

65 responses

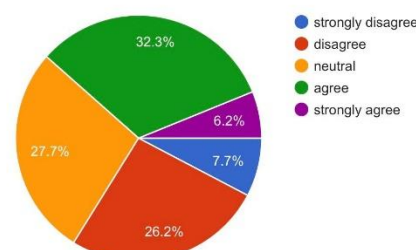
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4) The gig economy provides stable and predictable income opportunities for workers.

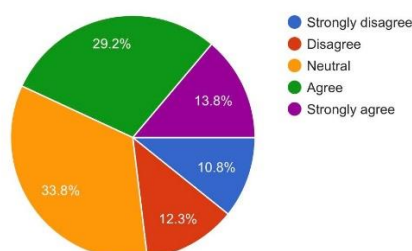
65 responses

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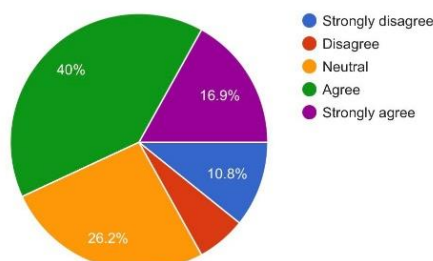
6) Gig workers face higher financial uncertainty due to inconsistent earnings and lack of employment benefits.

65 responses

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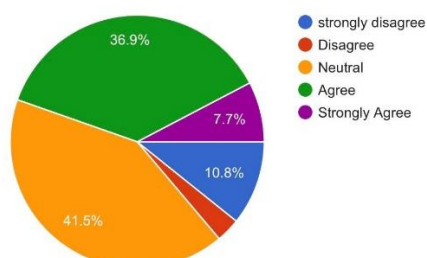
9) The gig economy has contributed to economic growth by increasing job opportunities in various sectors.

65 responses

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10) The increasing shift towards gig-based work is reshaping traditional employment structures and workplace norms.

65 responses

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Findings and conclusion:

1) Job satisfaction in gig work

The survey found that majority of the respondents (33.8%) believe that gig work provides greater satisfaction level due to its flexibility on the other hand 43.1% remained neutral & 10.8% strongly disagreed. It indicates that job flexibility plays a crucial role in job satisfaction for gig workers.

2) Job security concerns

Majority of the respondents (10.8%) disagreed with the concern of lack of job security affecting their job satisfaction whereas some (13.8%) strongly agreed. Others (20 %) remain neutral. It indicates that majority of gig workers do not perceive it as a major concern affecting their satisfaction levels.

3) Work life balance in gig work-

Work life balance is a major advantage for gig workers. The research finding supports this, with 7.7 % strongly agreeing and 32.33% agreed that gig workers have better work life balance giving in consideration their flexibility to choose working hours on routine basis.

4) Income stability in the gig economy-

There was mixed response in case of income stability, survey found that 6.2% strongly agreed and 32.3% agreed for a stable income but simultaneously 27.7% remained neutral. This indicates that some workers may achieve income stability but other may face unstable income.

5) Financial security in traditional jobs-

The survey found that 33.38% agreed that gig work provides financial security and benefits while significant 36.9% remained neutral & 7.7% disagreed. It indicates that traditional job offers more stability but gig work financial security depends from individual perceptions.

6) Financial uncertainty in gig work-

Financial uncertainty is big concern with gig workers, 13.8% strongly agreed & 29.2 % agreeing

that gig labours face financial instability due to uneven earnings. It indicates the strong urge and need for proper financial planning and support or gig labours who lack constant income level.

7) **Impact on corporate hiring strategies-**

The gig economy has influenced corporate hiring strategies with majority 46.2 % of respondents agreeing while 9.2% strongly agreeing that companies have adapted their hiring approaches due to the rise of gig labours.

8) **Need for labour policy reforms-**

The survey found that majority of the gig workers felt a need of strong and new labour laws following the increase in number of gig labours and gig economy. 43.1% agreed and 13.8% strongly agreed that labour policies should be reformed to provide benefits like healthcare, savings ,etc.

9) **Economic growth due to the gig economy-**

The impact of gig economy on overall economic growth received different dimensional responses. 40 % of the total respondents believe that gig workers contribute to economic growth, 26.2% remained neutral, & 6.1% disagreed. This survey reflects the ongoing debate about whether gig labours facilitate economics expansion or creates new challenges.

10) **Reshaping of traditional employment-**

The emergence of gig economy has led to changes in workplace rules. The survey reveals that 36.9% agreed that gig economy is reshaping traditional employment, while an equal percentage remained neutral. However approximate 4% strongly disagreed, indicating that while many recognize the transformation, some believe traditional employment remains dominant.

Conclusion:

The research findings highlight both the benefits and challenges of the gig economy in relation to traditional employment. While flexibility and work-life balance

are significant advantages, financial uncertainty and lack of job security remain key concerns. The impact on corporate hiring strategies and economic growth suggests that the gig economy is reshaping employment landscapes. However, the need for labor policy reforms indicates that further structural changes may be required to support gig workers effectively. These insights contribute to ongoing discussions on balancing gig work opportunities with economic stability and worker protections.

Implication to employment and economic structures:

The growing prominence of the gig economy is reshaping corporate hiring strategies, as companies increasingly rely on contingent workers to meet operational demands. This shift impacts workforce management, requiring businesses to develop new approaches for integrating gig workers while maintaining productivity and efficiency. Additionally, the gig economy contributes to economic growth by fostering entrepreneurship and enabling workforce participation among individuals who may not fit into traditional employment models.

There is strong recommendation for changes in Labour laws and policy reforms to address the vulnerabilities of gig workers. The central government, state government & labour organisations must explore measures to maintain a balance between stability, ensuring fair wages, social security provisions and legal protections. If there is no structural reform, the long-term sustainability of gig economy may be uncertain, potentially exacerbating economic inequalities and worker exploitation.

Future directions & final thoughts:

With the dynamic nature of gig economy, more research is needed to examine its long-term effects on workers, business and economic structures. Regulator and policy maker must consider more of innovation in regulatory framework that would protect gig labours

without restricting the flexibility that makes gig work attractive. More over business must explore strategies for integrating gig workers in way that ensure mutual benefits for both employers and employees.

Gig economy provides significant opportunities, its challenges must not be overlooked. A perfect blend of balanced approach- one that leverages the benefits of flexible work while implementing safeguard against financial insecurity is essential for creating an equitable and sustainable future for all workers.

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