

EXAMINING LINKAGES BETWEEN GIG ECONOMY & TRADITIONAL EMPLOYMENT IN INDIA

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Abstract :

As the global economy is growing, we observe one remarkable change that the rising influence of gig economy around us. It is altering the landscape of traditional employment as it provides flexible working hours and project-based work, part time jobs which leads to increased employment opportunities. Through literature review and analysis of secondary data collected, this research paper studies the complexities of both the gig economy and traditional job structures focusing on how gig economy and traditional employment together can boost the economic growth of the country. Key findings elaborate the structure of both the gig economy and traditional economy, the role and challenges of gig economy. By studying both positive and negative impacts, this research concludes the ways to make a bridge between the gig economy and traditional economic model for overcoming economic challenges in the country.

Keywords : *Gig Economy, Traditional job structures, employment opportunities, Flexibility, Stability, changing workforce*

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Introduction:

In the era of globalization, economy has drastically changed over a period of time, including the rising of the gig economy, but we can find existence of the gig economy the past years. In the developing countries like India, this new sector has created employment opportunities for a large section of the people. The existence of gig economy has transformed the structure of traditional employment. The gig economy also considered as platform economy offers a departure from the conventional regular or part-time job. Platforms like Uber, Airbnb, and Fiverr have popularized this structure of employment, providing opportunities for workers to engage in more flexible forms of businesses.

The gig economy in India is transforming how people work and live.

The research paper depends on secondary data such as books, research papers and journal articles written on

the gig economy. The purpose of this paper is to study pros and cons of the gig economy and traditional employment model. It is important to comparatively study both the models and building bridge between both of them to develop India's economy at faster rate with the rise in employment rate.

Literature Review:

According to a NITI Aayog report on 25th June 2022, "Gig workers – those engaged in livelihoods outside the traditional employer-employee arrangement – can be broadly classified into platform and non-platform-based workers. Platform workers are those whose work is based on online software apps or digital platforms. While, non-platform gig workers are generally casual wage workers and own-account workers in the conventional sectors, working part-time or full time". (C, 2023)

"According to a report by Boston Consulting Group, India's gig workforce comprises 15 million

workers employed across industries such as software, shared services and professional services.”(DRHP, 2023)

“According to a 2019 report by the India Staffing Federation, India is the fifth largest in flexi-staffing globally, after the US, China, Brazil and Japan.”(DRHP, 2023)

Jamie Woodcock& Mark Graham -The Gig Economy: A Critical Introduction

This is the first comprehensive overview of this highly popular subject. Relying on years of research, incidents from gig workers and a review of the recent trends and discussions, Jamie Woodcock and Mark Graham have thrown light on how the gig economy emerged, and how it works. They show that, although the gig economy has facilitated new services and created employment opportunities for millions, it is also facing few challenges. The authors outline the strategies for providing a fairer platform economy that works for everyone. Their critical introduction will be crucial reading for students, academicians and general readers.(Graham)

Research Objectives :

1. To know the difference between Gig Economy and Traditional Economy.
2. To understand the pros and cons of both the economic structures.
3. To explore possible linkages between gig economy and traditional employment.

Research Methodology :

Based on descriptive, analytical and historical research, qualitative method of research has been used. Information for this paper has been collected from various secondary sources which include information from various reports, published books, journal articles, research papers. The collected data has been analysed, edited and classified as per the requirements of the study.

Data Interpretation :

➤ **Difference between Gig Economy and Traditional employment**

The gig economy can be defined by short-term contracts or freelance work, instead of permanent jobs. It is a system in which individuals work on a project basis, often facilitated by digital platforms that connect them with different employers. This model offers flexibility and autonomy, allowing workers to choose when, where and how they work. The traditional employment model includes regular full-time or part-time jobs with fixed working hours and benefits. Employees work for specified hours and for a single employer. They get in return a regular salary. Stability and regularity are the attributes of this structure.

Gig workers work on the contract basis. They are self-employed and work on short-term or project-based work from various clients. They have no permanent attachment to one employer.

In a traditional work model, employees sign contracts with a company and work for them full-time. They have set hours, are paid a fixed salary and receive benefits. There is job security, but less flexibility in terms of hours and autonomy over tasks.

Part-time employees also engage in job contracts, but their working hours are less than full-time employees. Although they enjoy some of the benefits, they often do not get entire benefits and have less security than full-time workers.

➤ **Gig Economy: Significant for Flexibility and Freedom where as Traditional Employment: Significant for Stability and Security**

With the emergence and rise of gig economy, traditional employment models are being re-constructed. The gig economy and traditional employment including both regular full-time and part-time work represent different models of work,

each offering distinct benefits and challenges for both employees and employers.

A] Comparing benefits and challenges for Employees:

1. **Flexibility:** The gig workers are free to choose their assignment and working hours. If they are balancing their work with personal commitments, then this flexibility is perfect for them. Traditional employment with its fixed working hours and job locations, doesn't provide this flexibility. Balancing work with personal life can be more difficult in a traditional job, especially if long hours or overtime are required. Working independently can sometimes be lonely for gig workers. Without a team environment, they might lack social interactions and networking opportunities.
2. **Variety:** Gig economy opens up a variety of jobs across different industries. They can explore different projects and roles which will help them for skill development. In traditional employment, due to limited roles, workers might perform the same tasks regularly. This can lead to boredom. However, traditional employment can offer structured career progression. Companies often provide opportunities for advancement, training and professional development.
3. **Freedom:** In the gig economy, workers are free to make decisions about how and when they work without the limitations of a regular office culture. Where as in traditional structure, workers may face internal office politics and dealing with a hierarchy as well as they need to adhere to company policies.
4. **Nature of Income:** Traditional employment provides a stable income making financial planning easier for workers. But gig work doesn't ensure a stable and fixed income due to varying nature of assignment and work availability which can create financial uncertainty and instability for gig workers. However, there is a possibility of increased earnings

for gig workers. Depending on the skills and the demand for them, gig workers can sometimes receive higher incomes than in traditional employment.

5. **Benefits:** In traditional employment, employees get benefited with health insurance, paid leaves and retirement saving plans. Gig workers usually don't receive these benefits. This lack of protection can leave gig workers at risk during economic downfall.
6. **Status of Job Security:** Traditional jobs offer greater job security than gig work. Employees have a long-term contract and protection against sudden termination without cause in traditional employment model. Gig workers need the job security that traditional employment offers. Contracts can end suddenly and they may face periods of unemployment.
7. **Employment Opportunities:** The gig economy creates new employment opportunities especially for students, retired individuals, women and physically disabled people who are not able to get traditional regular job role. The entry of these individuals in the labour market can boost economic growth and increase employment rates.

B] Benefits for Employers in Gig Economy Model:

1. **Cost Efficiency:** As employers are not required to provide workplace, benefits or long-term contracts to workers, it makes the hiring more flexible and cost-effective in gig economy.
2. **Access to Talent:** Employers can hire skilled professionals for varied job roles without committing to long-term work. They get a variety of talent on demand.
3. **Scalability:** The gig economy enables employers to adjust their workforce according to current project requirements. It is vital for managing costs while meeting the demands of dynamic market conditions.

4. **Focus on essential Activities:** By delegating ancillary tasks to contractual workers, employers can focus on their fundamental business operations.

C] Benefits for Employers in Traditional Employment model:

1. **Stability and Investment:** When Employers invest in hiring full-time employment, employees grow with the company acquire strong institutional knowledge and contribute to long-term stability.

2. **Employee Loyalty:** In traditional employment, by offering a steady income, benefits and job security companies often find more loyal and engaged employees. Their long-term commitment can lead to better performance of the company. Gig workers may not have the same engagement and investment in the company's operations.

3. **Stronger Team Collaboration:** Companies in traditional work model can foster team collaboration, mentorship, and internal culture with regular or part-time workers as they are more blended into the company's values and objectives, which is not achievable with a frequently changing gig workforce.

➤ **Connecting both Gig & Traditional economic structures :** To navigate the changing landscape effectively, it's essential to understand how to leverage both gig and traditional employment opportunities. Combining features of both can provide the best of both models.

1. **Flexibility with Stability:** By incorporating gig work into a traditional employment framework, employee can enjoy the flexibility of work while maintaining a stable income from a full-time job.

2. **Diverse Skill Enhancement:** Engaging in gig work can help workers to develop their skills which can be beneficial in traditional roles. On the contrary, experience from a traditional job can enhance worker's credibility and effectiveness in the gig economy.

3. **Financial Planning:** Effective financial planning is

crucial when balancing gig and traditional work. Managing income from multiple sources requires careful budgeting and saving strategies to ensure financial stability.

Conclusion:

Gig economy is a market system featured by the short-term contractual jobs or freelance work instead of the regular permanent jobs in traditional economy. On the contrary, traditional employment is characterised by long-term steady and stable jobs with fixed working hours and benefits such as health insurance, paid leave and retirement plans.

The gig economy is growing in the current times with technological advancements and changing workforce. The demand for gig workers is expected to surge with more businesses grabbing the freelancers seeking flexible work structure. The future of work will likely blend gig and traditional employment practices. Both gig and traditional roles will adapt to meet the needs of a changing workforce. However, the gig economy needs to deal with the challenges like worker's benefits, job security and their rights. It is vital to address the gaps between both the models for guaranteeing a balanced and fair job market. Policymakers, businesses and proponents for labourers must come together to design frameworks which will protect workers' rights with economic development.

Government intervention is needed to protect gig workers and ensure sustainable growth. The effective policy framework should define the roles of gig workers and give them workers' rights to prevent their exploitation by profit-making employers. Some countries are framing policies to provide gig workers few benefits like health insurance and retirement savings plans. Concurrently, companies are looking for hybrid work models that provide a middle way offering the flexibility of work with the stability, security and benefits of regular traditional employment.

The gig economy is reconstructing the future of work providing flexibility and new opportunities for both employees and employers. Building the balance between gig workers and permanent employees will positively rearrange future of work, as companies are adapting new economic model.

We can say that the gig work is in demand in upcoming years, but it will not alter traditional employment entirely. Employees as well as employers are required to understand and accept the changes with changing workforce in the economy. Employers can provide flexibility and stability to gig workers by providing them protection of labour rights. Employees can positively work on the opportunities available in the gig economy for their skill development and career achievements.

Though the gig economy may result in declining of conventional regular or part-time job roles, it also explores new opportunities for gig workers as well as traditional labourers. It is need of the time to make balance which will bring out the best of both work models – the flexibility in gig economy and security in traditional employment structure.

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