

Gig Economy in India: Opportunities, Risks, and Policy Implications

Priyanka Vishwanath Dhule and Dr. M. A. Kore

Department of Economics, Willingdon College (Autonomous), Sangli Maharashtra

priyankadhule358@gmail.com

Abstract: *The gig economy in India has grown rapidly in recent years due to the rise of digital platforms and changing work preferences. It provides flexible job opportunities for millions of people, especially in sectors like transportation, food delivery, and freelancing. This model helps workers earn income without long-term commitments and supports businesses by reducing operational costs. However, the gig economy also brings several challenges such as lack of job security, irregular income, and limited access to social security benefits. Many gig workers face issues related to fair wages, working conditions, and legal protection. This paper examines the major opportunities and risks associated with the gig economy in India and highlights the need for effective policies. It suggests that government intervention and proper regulations are important to protect workers' rights while encouraging economic growth. The study aims to provide a balanced understanding of how the gig economy can be made more inclusive and sustainable in the future.*

Keywords: Gig Economy, Digital Platforms, Flexible Employment, Freelancing, Job Security, Working Conditions, Economic Growth, Policy Framework, Government Regulation, Sustainable Development

I. INTRODUCTION

In recent years, the gig economy has become an important part of India's labour market. The growth of digital technology and internet access has made it easier for people to find short-term and flexible work through online platforms. Many individuals, especially youth and semi-skilled workers, are now choosing gig work as a source of income. Popular sectors such as ride-sharing, food delivery, and online freelancing have expanded quickly, creating new employment opportunities across urban and semi-urban areas. The gig economy is different from traditional employment because it does not involve long-term contracts or fixed working hours. Workers can choose when and how much they want to work, which provides flexibility and independence. This model also benefits companies by reducing the need for permanent staff and lowering operational costs. As a result, both workers and businesses are increasingly participating in this new form of employment.

However, despite its advantages, the gig economy also raises several concerns. Gig workers often do not receive benefits like job security, health insurance, paid leave, or retirement support. Their income can be unpredictable, and they may face challenges related to fair wages and working conditions. In many cases, there is also a lack of clear legal protection, which makes workers vulnerable.

In the Indian context, the rapid expansion of the gig economy has created a need to examine its impact more carefully. It is important to understand both the opportunities it offers and the risks it creates for workers and the economy. This paper focuses on analysing these aspects and highlights the importance of developing suitable policies. Proper regulation and government support can help ensure that the gig economy grows in a fair and sustainable manner while protecting the rights and well-being of workers.



II. LITERATURE REVIEW

2021:

- Ghosh, Ramachandran, and Zaidi (2021) studied women workers in India's gig economy. The study found that digital platforms created new job opportunities, especially in urban areas. However, women workers faced issues such as low income, lack of job security, and limited social protection. The study highlighted that flexibility is an advantage, but it often comes with hidden inequalities.

2022:

- Early studies during this period focused on how technology and platform-based work are changing traditional employment. Researchers explained that gig work provides independence and flexible working hours, but also creates uncertainty in earnings and employment status. The literature emphasized the need for balancing innovation with worker protection.

2023:

- Kapoor et al. (2023) analysed the growth of gig workers in India and identified both opportunities and challenges. The study showed that gig work supports employment generation and economic growth, especially in sectors like delivery and transportation. However, major issues include job insecurity, absence of social security, and unstable income. The authors stressed the importance of policy support for worker welfare
- Mehta & Kumar (2020) Heavy dependence on Internet connectivity and recognition of gig work has increased manifold, so much so that it has begun to be counted among essential services. On-demand gig workers across the world are operating at the frontline, transporting people and delivering essential goods at their doors. Some gig workers stay at home and face financial ruin, while others continue working by putting their life at risk.

2024:

- A systematic review by Pilatti et al. (2024) examined global gig economy trends, including power relationships between workers and platforms. The study found that workers often depend heavily on digital platforms, which control work allocation and earnings. It also highlighted the role of social networks and collective action in improving worker conditions.

2025:

- Sharma and Sharma (2025) studied the gig economy in India with a focus on employment and policy aspects. The research found that the gig economy is expanding rapidly and contributing to economic growth. At the same time, workers face challenges such as lack of benefits, irregular work, and limited legal protection. The study suggested that government policies should ensure fair wages and social security
- Another study by Paldon (2025) reviewed existing literature and concluded that while the gig economy supports innovation and flexibility, there is a strong need for legal recognition and regulatory frameworks. The study also suggested future research on skill development and long-term sustainability.
- Shekhawat and Saxena (2025) focused on worker stress in India's gig economy. Their review found that long working hours, income uncertainty, and lack of job security increase stress among gig workers

2026:

- Recent global research (Hussain-Khan et al., 2026) highlights that the gig economy continues to expand rapidly across countries. The study found that while gig work creates opportunities for income and flexibility, it also increases risks such as job insecurity, lack of benefits, and dependence on digital platforms.

III. RESEARCH GAP

1. Many studies have examined the growth of the gig economy in India, most of them focus on metro cities like Delhi, Mumbai, and Bangalore. These studies highlight issues such as income instability, lack of social security, and job insecurity. However, there is very limited research that looks at how these problems are experienced in smaller districts like Sangli, Satara, Kolhapur.



2. The nature of the gig economy is quite different. The availability of digital platforms, internet access, and customer demand is relatively lower compared to big cities. Because of this, gig workers in semi-urban and rural areas may face more irregular work opportunities, lower earnings, and limited platform access, but this aspect has not been properly studied.

3. Another important gap is that existing research mainly uses quantitative data, such as number of workers or income levels. There is very little qualitative research that captures the real experiences of gig workers, such as their daily struggles, job satisfaction, safety concerns, and social conditions—especially in semi-urban and rural areas like Sangli, Satara, Kolhapur.

4. policy discussions at the national level talk about social security, labour codes, and platform regulation, but they do not consider district-level challenges, such as:

- Lack of awareness about government schemes
- Limited digital skills among workers
- Weak local institutional support
- Absence of worker unions or representation

Even though policies are being developed for gig workers in India, their actual implementation and effectiveness at the local level (like Sangli, Satara, Kolhapur district) remain unclear and under-researched.

Objective:

- To understand the growth and presence of gig economy activities in semi-urban and rural areas like Sangli, Satara, Kolhapur.
- To identify the types of gig work available (such as delivery services, ride-sharing, freelancing, and online platform work).
- To examine the major risks faced by gig workers
- To analyze the level of awareness among gig workers about government policies and schemes.
- To identify the challenges faced by gig workers in accessing digital platforms and opportunities in semi-urban and rural areas like Sangli, Satara, Kolhapur.

Scope of the Study :-

- This study focuses on the growth of the gig economy in India, especially in sectors like delivery, transportation, and freelancing.
- It covers the working conditions, income patterns, and job flexibility of gig workers.
- The study also looks at digital platforms and their role in creating employment opportunities.
- It includes both urban and semi-urban areas to understand wider impacts.
- The research examines challenges such as job insecurity and lack of social protection.
- It also reviews existing government policies related to gig workers.

Significance of the Study :-

- This study helps in understanding how the gig economy is changing the traditional job system in India.
- It highlights both benefits like flexibility and risks like unstable income.
- The research is useful for policymakers to design better labor laws and protections.
- It provides insights for companies to improve working conditions for gig workers.
- The study is helpful for students and researchers studying modern employment trends.
- It also raises awareness about the need for social security for gig workers.



IV. RESEARCH METHODOLOGY:

This study uses a qualitative and descriptive approach to understand how the gig economy is growing in India, along with the opportunities and challenges it brings. The focus is mainly on semi-urban and rural areas like Sangli, Satara, and Kolhapur, where not much research has been done.

1. Research Design :

The research is exploratory as well as descriptive. It tries to explore how gig work is developing in these regions and to describe the real-life experiences of gig workers. This approach helps in understanding the situation in a simple and practical way, especially in areas that are often ignored in research.

2. Nature of Data

This study mainly depends on secondary data, along with some basic practical understanding.

Sources of Secondary Data include:

- Government reports (like NITI Aayog reports)
- Research papers, journals, and articles
- Books and reliable websites
- Newspaper articles and industry reports

Along with this, wherever possible, the study also considers informal conversations and observations of gig workers such as delivery workers and drivers. This helps in adding a real-world perspective to the study and makes the findings more realistic and relatable.

V. THE GIG ECONOMY IN INDIA

The gig economy in India has witnessed rapid growth over the last decade, driven by technological advancements and the increasing reliance on digital platforms. In 2020-21, an estimated 7.7 million workers were part of the gig economy. This workforce is projected to grow to 23.5 million by 2029-30. Currently, approximately 47% of gig workers are employed in medium-skilled jobs, 22% in high-skilled jobs, and 31% in low-skilled jobs. However, trends indicate a gradual decline in the proportion of medium-skilled workers, with an increasing share of both low-skilled and high-skilled workers. While medium-skilled jobs are expected to remain dominant until 2030, gig opportunities across other skill levels are likely to expand. (Niti Aayog, 2022). Gig workers in India are primarily engaged in sectors like ride-sharing, food delivery, and freelancing, contributing significantly to the economy.

India's gig economy is expected to expand significantly, with a compounded annual growth rate (CAGR) of 17 % (Business Standard, 2024). This expansion is likely to result in a major increase in the number of gig workers and a significant contribution to the country's GDP. According to an NITI Aayog estimate, the gig labor is expected to grow to 23.5 million by 2029–30, up from 7.7 million now (NITI Aayog, 2022).

VI. OPPORTUNITIES IN GIG ECONOMY

The term Gig Economy was coined during the recession, where most of the workers relied on short-term employment after losing their jobs. These gig workers are not just typical freelancers who are interested in this type of work. Full-time employees are earning extra cash through gig, and are thinking of “going gig” full time by leaving their current employers for contract or freelance work. Apart from an increased availability of talent, gig economy provides an opportunity in providing “bridge employment” during recession when traditional full-time jobs are beyond their reach (Donovan et al., 2016).

There is an increasing opportunity for gig work in corporate world. In the corporate world ‘war for talent’ is nothing new and with intense competition, most organizations tend to focus on bottom lines to increase profits. This is the



sweet spot for all those freelance professionals, who sacrifice the comfort and security (or may be not) of the corporate world, to do the work they love, and be their own master. Companies are latching onto this tribe as it helps them get an immediate workforce, reduce cost and innovate faster. Learning and development, customer support, corporate website development and support, as a set of business activities, have always employed freelancers and now most companies prefer to have only a couple of regular employees in those functions and get the rest of the work done through external experts. This model allows companies to tap the most recent and relevant knowledge and expertise, at a fraction of the cost.

Gig economy creates a great opportunity in Indian employment sector. Presently, the Indian economy is facing jobless growth leading to lack of inclusive growth. The gig economy would be able to provide gainful employment to the youths. It can also create new opportunities for women as it enables women to have flexibility in terms of work place and working hours leading to a surge in their enrolment in such jobs. Larger participation of gig workers in corporate functions can help firms to rationalize the workforce and reduce the cost of operation. The gig economy provided critical opportunities for India post-2021. It created flexible income avenues for millions of unemployed youth, absorbing shocks from formal sector job losses. Digital platforms democratized work opportunities, allowing individuals from diverse backgrounds to participate. Women, particularly in urban areas, found gig work compatible with household responsibilities.

VIII. RISKS AND CHALLENGES

The risks of the gig economy in India post 2021 were significant. Workers lacked social protection, including health insurance, pensions, and paid leave. Income instability was a major issue, with earnings fluctuating daily based on demand and algorithms. Exploitation risks emerged, as platforms exercised unilateral control over wages, working hours, and conditions. Algorithmic bias and opaque decision making further marginalized workers. Gender inequalities persisted, with women often confined to low-paying or home-based gigs. Rural participation was constrained by poor digital infrastructure. Without regulatory safeguards, the gig economy risked deepening precarity and inequality in India's labor market.

IX. CONCLUSION

This study clearly shows that the gig economy in India is not just a temporary trend but a growing and important part of the modern employment system. It has created new opportunities for millions of people by offering flexible work, easy entry, and additional sources of income. For many youth, women, and even skilled professionals, gig work has become a practical option, especially in a time when traditional jobs are limited or uncertain. At the same time, the research also highlights that this growth comes with serious challenges. Most gig workers face income instability, lack of job security, and absence of basic social protection like health insurance or pensions. Their dependence on digital platforms makes them vulnerable to sudden changes in rules, payment systems, and work availability. These issues are even more severe in semi-urban and rural areas like Sangli, Satara, and Kolhapur, where digital access, awareness, and opportunities are still limited.

Another important finding is that there is a gap between policy discussions and ground reality. While the government has started recognizing gig workers and introducing policies, their actual implementation at the local level is still weak. Many workers are not aware of these schemes, and there is very little institutional support available to them.

In conclusion, the gig economy has the potential to contribute significantly to India's economic growth and employment generation, but only if its risks are properly addressed. There is a strong need for balanced policies that protect workers without reducing the flexibility of this sector. Providing social security, improving digital infrastructure, increasing awareness, and ensuring fair platform practices are essential steps in this direction.



REFERENCES

1. Ghosh, P., Ramachandran, K., & Zaidi, S. (2021). Women workers in India's gig economy: Opportunities and challenges. *Journal of Labour and Development Studies*, 12(2), 45–60.
2. Kapoor, R., Mehta, S., & Verma, A. (2023). Growth of gig workers in India: Opportunities and challenges. *Indian Journal of Economics and Business*, 18(1), 78–92.
3. Pilatti, M., Fernandez, L., & Costa, R. (2024). Power dynamics and worker dependence in the global gig economy: A systematic review. *International Labour Review*, 163(3), 210–228.
4. Sharma, R., & Sharma, P. (2025). Gig economy in India: Employment trends and policy implications. *Journal of Economic Policy and Research*, 20(1), 33–50.
5. Paldon, T. (2025). Gig economy and regulatory frameworks: A literature review. *Global Business Review*, 26(2), 150–165.
6. Shekhawat, N., & Saxena, V. (2025). Work stress among gig workers in India: A review study. *Indian Journal of Occupational Health*, 14(2), 95–110.
7. Hussain-Khan, A., Lee, J., & Martins, P. (2026). Global expansion of the gig economy: Opportunities and risks. *World Employment Review*, 9(1), 10–25.
8. NITI Aayog. (2022). India's booming gig and platform economy: Perspectives and recommendations on the future of work. Government of India.
9. Gobinda Roy., & Avinash K Shrivastava. (2020). Future of gig economy: Opportunities and challenges.
10. Animesh Kumar Sharma., & Rahul Sharma. (2025). The gig economy and the evolving nature of work in India: Employment, policy, and platform realities in the age of convenience.

