The Gig Economy in India: Growth, Livelihoods and the Challenges of Decent Work

The Gig economy is a part of the labour market built around short term and task-based work. Most of this work is organised through digital platforms. Fuelled by the rapid spread of these platforms, this form of work has reshaped conventional employer-employee relationships, connecting workers to specific tasks or services through internet-based intermediaries (NITI Aayog, 2022). Gig work trades the security of standard employment for flexibility: it allows people to choose when and how much they work, but typically comes with weaker job security and thinner social protection. The gig workforce is far from a single category — it spans temporary agency staff, independent contractors, platform-based service providers and so-called human cloud workers. Because it depends so heavily on digital technology and platform-mediated arrangements, the gig economy is often described as one of the defining features of the current wave of digital disruption (Olorundare et al., 2022).



Alongside the flexibility it offers workers, the gig economy raises hard questions for labour regulation, social protection and tax administration — functions that employers have traditionally carried out. Its rapid growth, especially across urban centres in developing countries, mirrors the narrow opportunities available in the formal labour market. Broadly speaking, the gig economy has two strands: traditional gig work in fields such as transportation, food delivery and catering, and platform-mediated work involving more specialised services like digital marketing, information technology and other online professional activities (Chen et al., 2022). The COVID-19 pandemic

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accelerated this shift. It pushed businesses and consumers toward digital platforms. In turn many workers took up gig work as an alternative source of income.

India has emerged as one of the world's largest flexi-staffing markets, with its gig and platform economy expanding at a rapid pace. A gig worker, in the government's own definition, is someone who earns an income outside a traditional employer-employee relationship, often within the informal sector (Ministry of Labour and Employment, 2020a). When such workers connect with customers through apps or websites — Ola, Uber, Zomato, Swiggy or Urban Company, among others — they are more specifically termed platform workers (OECD, 2019). Today, platform workers are among the most visible faces of India's urban workforce. A single app might route them toward ferrying passengers in taxis, auto-rickshaws or electric bike-taxis, delivering food and groceries, or offering cleaning and wellness services at customers' homes. Yet, however prominent this form of labour has become in recent public debate, it is neither a product of the 2020s nor unique to India.

What is distinct about India's experience is the pace of change. The country's labour market is shifting toward platform mediated work. Gig employment is becoming a meaningful part of current employment arrangements. This shift is closely tied to the wider growth of the digital economy and platform-based services.

Estimating the Size of the Gig Workforce

Tracking how India's labour market has changed requires drawing on more than one dataset. The two most widely used are the NSSO's Employment and Unemployment Survey (EUS) and, more recently, the Periodic Labour Force Survey data. Employment and output growth between 2011-12 and 2019-20 were used to build projections for 2021 to 2030. These projections apply the weighted average growth rate seen over that base period. This is a reasonable approximation. It assumes the economy will keep growing at past rates rather than at some different future pace. In 2022-23, the digital economy accounted for close to 11.74 per cent of India's GDP. This was roughly Rs. 31.64 lakh crore. Current estimates suggest this share could climb to nearly 20 per cent by 2030. This pace of growth is well ahead of traditional industries.

Table 1: Projected GDP and Employment Levels, 2011-12 to 2029-30

Year	Employment (Crores)	GDP (Crores)
2011-12	46.99	8736329
2012-13	46.74	9213017
2013-14	46.49	9801370
2014-15	46.24	10527674
2015-16	46.00	11369493
2016-17	45.75	12308193
2017-18	45.50	13144582
2018-19	46.75	14003316

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Year	Employment (Crores)	GDP (Crores)
2019-20	51.10	14569268
2020-21	51.66	13512740
2021-22	52.22	14323504
2022-23	52.79	15254532
2023-24	53.37	16322349
2024-25	53.95	17464914
2025-26	54.54	18687458
2026-27	55.14	19995580
2027-28	55.74	21395271
2028-29	56.35	22892939
2029-30	56.96	24495445

These projections point to employment rising from about 46.9 crore to 56.9 crore by 2030, while GDP climbs from roughly INR 87 lakh crore in 2011-12 to about INR 244 lakh crore by 2029-30, as shown in Table 1. Set against this backdrop, the gig workforce itself is estimated at around 68 lakh workers as of 2019-20. This figure counts both workers for whom gig work is their main activity and those for whom it is a side activity. The total grew from about 25 lakh in 2011-12. Workers who spend most of the year in gig work (Usual Principal Status) rose from 24.5 lakh to 67 lakh over this period. Workers who do gig work for only part of the year (Usual Subsidiary Status) grew more modestly from about 0.7 lakh to 1.1 lakh. These figures are set out in Table 2.

Table 2: 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

A closer look at where these workers sit shows a labour market still weighted toward informality. About 37.6 per cent of gig workers are in the organised sector. The remaining 62.4 per cent are in the unorganised sector as of 2019-20. Even so the organised sector share has been rising steadily. It was up from 26 per cent in 2011-12. This suggests that a growing number of gig workers are now attached to larger firms. The unorganised sector share has correspondingly declined. If this trend continues further growth in gig work is likely to be concentrated within the organised sector. This is illustrated in Table 3.

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Table 3: 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

Moving into the organised sector has not by itself brought more formal work arrangements. The organised sector share of gig workers rose substantially. Yet the proportion of informal workers barely moved. It even edged up slightly. Srivastava and Naik (2016) and Srivastava et al. (2020) define informal workers as those without a written contract of at least a year in the non-agricultural sector. Using this definition more than 80 per cent of gig workers fall into informal employment. This share stood at 83.7 per cent in 2011-12. It dipped to 81.8 per cent in 2017-18. It then rose again to 82.5 per cent in 2019-20. This pattern shows how persistent informal work remains in this sector. Read together with the organised sector trend it suggests that informality is now entering the organised workforce through gig and platform-based work. Research by Abraham and Sasikumar (2017) had already found rising informalisation within the organised sector. That study attributed it mainly to the growth of contractual employment. The pattern here points to a second channel. Gig and task-based employment is itself adding to informality within the organised sector. This happens independent of contractual work.

Table 4: Gig Workers — Formal and Informal Employment Share (%)

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

Where Gig Workers Are Employed: Industry Patterns

Retail trade and sales account for the largest concentration of gig workers. About 26.6 lakh gig workers are in this sector. Transportation follows with roughly 1.3 million workers. Manufacturing employs about 6.2 lakh gig workers. Finance and insurance activities employ a further 6.3 lakh. Growth is not limited to any one sector. Retail trade added around 15 lakh gig workers between 2011-12 and 2019-20. Transport added 7.8 lakh. Manufacturing added 3.9 lakh. Even smaller segments have expanded meaningfully. Education related gig work for instance grew from about 66,000 workers to over one lakh over the same period. These figures are detailed in Table 5.

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Table 5: Industrial Classification of Gig Workers, in Lakhs (2011-12 to 2019-20)

NIC-2008 Industry	2011-12	2017-18	2018-19	2019-20	Change 2011-12 to 2019-20
Manufacturing	2.3	5.5	5.4	6.2	3.9
Electricity, gas, steam & air conditioning supply	0.2	0.4	0.4	0.2	0.1
Water supply; sewerage, waste management & remediation	0.0	0.3	0.3	0.3	0.3
Construction	0.3	1.2	1.4	2.1	1.8
Retail trade, except motor vehicles & motorcycles	10.6	19.2	21.7	26.5	15.9
Transportation and storage	5.2	11.0	9.4	13.0	7.8
Accommodation and food service activities	1.4	3.2	2.8	4.0	2.7
Information and communication	1.6	4.2	4.2	5.0	3.4
Financial and insurance activities	2.4	4.1	4.8	6.3	3.9
Real estate activities	0.4	2.0	1.5	2.4	2.0
Administrative and support service activities	0.2	0.2	0.4	0.4	0.2
Other education group	0.0	0.2	0.3	0.5	0.4
Educational support services	0.7	1.2	1.3	1.1	0.4
Total	25.2	52.6	53.9	68.0	42.8

Gig workers now spread across every sector listed above. Even so the degree of concentration in the largest sectors is easing. Retail trade's share of all gig workers fell from nearly 42 per cent to 39 per cent by 2019-20. Transportation's share slipped from 20.7 per cent to 19.1 per cent over the same years. Real estate rose from 1.7 per cent to 3.5 per cent. Construction rose from 1.2 per cent to about 3.1 per cent. Table 6 sets out these shifting proportions in full. Taken together the evidence points to a workforce that is growing in absolute terms and also diversifying. Gig work is taking root in sectors where it barely existed before. This suggests it is likely to become an increasingly important form of employment going forward. It remains comparatively small today.

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Table 6: Industrial Classification of Gig Workers — Percentage Share (2011-12 to 2019-20)

NIC-2008 Industry	2011-12	2017-18	2018-19	2019-20
Manufacturing	9.09	10.50	10.03	9.17
Electricity, gas, steam & air conditioning supply	0.69	0.67	0.73	0.33
Water supply; sewerage, waste management & remediation	0.00	0.59	0.49	0.47
Construction	1.24	2.31	2.58	3.06
Retail trade, except motor vehicles & motorcycles	41.97	36.48	40.30	38.95
Transportation and storage	20.69	20.86	17.40	19.18
Accommodation and food service activities	5.49	6.05	5.20	5.94
Information and communication	6.43	7.91	7.74	7.39
Financial and insurance activities	9.32	7.78	8.98	9.21
Real estate activities	1.72	3.77	2.84	3.53
Administrative and support service activities	0.64	0.36	0.68	0.55
Other education group	0.08	0.38	0.58	0.67
Educational support services	2.64	2.34	2.44	1.56
Total	100.00	100.00	100.00	100.00

Projecting the Future Gig Workforce

Looking ahead the gig workforce is projected to grow from 68 lakh workers in 2019-20 and 77 lakh workers in 2020-21 to roughly 2.35 crore by 2029-30. As a share of the wider workforce gig workers are expected to rise as well. In 2020-21 they made up 2.6 per cent of the non-agricultural workforce. This was 1.5 per cent of total employment. By 2029-30 this is expected to reach 6.7 per cent of the non-agricultural workforce. This is about 4.1 per cent of total livelihoods. This trajectory is captured in Table 7.

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Table 7: Projected Growth of Gig Employment, 2011-12 to 2029-30

Year	Employment (Cr)	Non-Agri. Employment (Cr)	Gig Workers (Cr)	% Gig to Non-Agri. Employ.	% Gig to Total Employ.	% Gig to Non-Agri.
2011-12 (actual)	46.99	24.52	0.25	52.18	0.54	1.03
2017-18 (actual)	45.50	26.38	0.53	57.98	1.16	1.99
2018-19 (actual)	46.75	27.62	0.54	59.09	1.15	1.95
2019-20 (actual)	51.10	28.79	0.68	56.34	1.33	2.36
2020-21 (projected)	51.66	29.37	0.77	56.86	1.49	2.62
2021-22 (projected)	52.22	29.97	0.87	57.39	1.67	2.91
2022-23 (projected)	52.79	30.58	0.99	57.93	1.87	3.23
2023-24 (projected)	53.37	31.20	1.12	58.47	2.09	3.58
2024-25 (projected)	53.95	31.84	1.27	59.01	2.34	3.97
2025-26 (projected)	54.54	32.49	1.43	59.56	2.63	4.41
2026-27 (projected)	55.14	33.15	1.62	60.12	2.94	4.89
2027-28 (projected)	55.74	33.82	1.84	60.68	3.29	5.42
2028-29 (projected)	56.35	34.51	2.08	61.25	3.69	6.02
2029-30 (projected)	56.96	35.21	2.35	61.82	4.13	6.68

Decent Work and Other Challenges Facing Gig Workers

This growth story sits alongside a harder reality. Gig and platform workers face a mix of structural, financial and social challenges. These challenges weigh on income stability, occupational safety and overall well-being. They make the case for stronger policy and institutional support. Gig work

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often comes with meaningful entry and running costs of its own. These include digital devices, internet connectivity, software transport workspace and platform registration or service charges. Income uncertainty is close to a defining trait of platform-based work. Demand swings with seasonality. Task allocation is algorithmic. Competition among platforms is intense. All of this leaves earnings irregular and unpredictable. Workers also face payment related risks. These include delays arbitrary deductions account suspensions and disputes with clients. Often there is no formal mechanism for redress. The digital backbone of this work brings its own risks too. These range from cyber fraud and identity theft to misuse of personal data. Many workers also face harassment and physical risk. This is especially true in delivery transport and home-based services. Some are also exposed to harmful content in the course of their work whether online or offline.

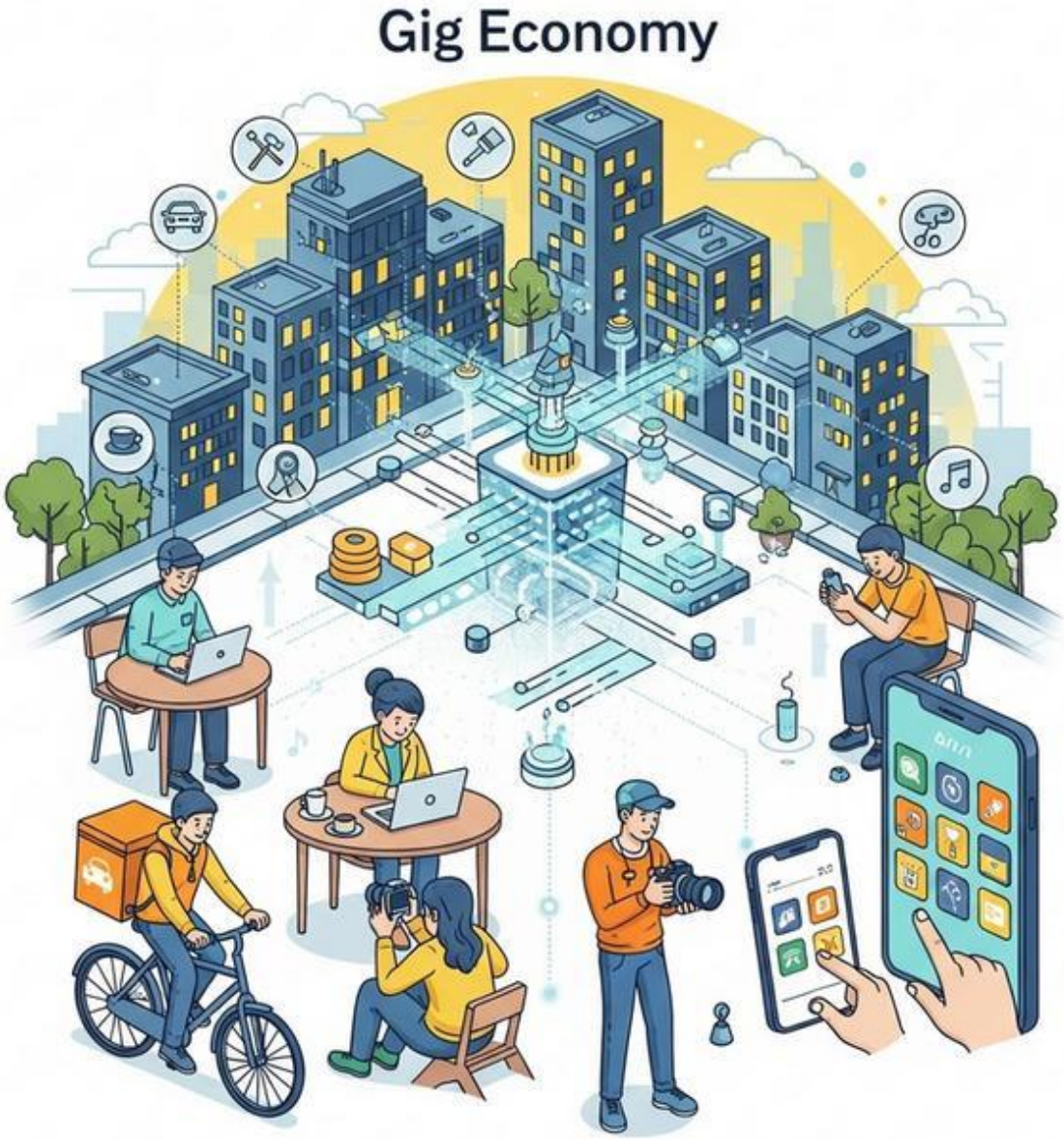
Social protection remains thin on the ground for most gig workers. A large share have no health insurance. Many have no paid leave and no pension coverage. Most have little income security when they fall ill or when demand slows. Long and irregular hours add to the strain. Gig workers are generally treated as independent contractors for tax purposes. Yet their earnings flow through digital platforms that often exert real control over how the work is done. This mismatch between labour status and tax treatment creates real problems. It affects compliance income reporting and worker classification. It stands out as one of the more pressing policy challenges facing India's evolving gig economy.

Conclusion

Taken as a whole the evidence points to a gig economy that is no longer a marginal feature of India's labour market. It is now a fast growing one. The workforce grew from an estimated 25 lakh workers in 2011-12 to 68 lakh by 2019-20. It is projected to reach 2.35 crore by 2029-30. This means the gig workforce is set to expand well beyond its current 1.3 per cent share of total employment. It could reach over 4 per cent within a decade. This growth is also spreading. It is moving beyond its traditional strongholds in retail and transport. It is entering construction real estate finance and education. A rising share of workers is also moving into organised sector firms. Yet growth in numbers has not been matched by growth in security. More than four fifths of gig workers remain in informal employment. This share has barely moved in a decade even as the organised sector's footprint has expanded. This is evidence that informality is migrating into formal firms through gig and platform-based arrangements rather than disappearing. On top of this sits a set of everyday vulnerabilities. Earnings are unstable and unpredictable. Workers pay out of pocket costs for equipment and connectivity. Grievance mechanisms are weak or absent. Workers face exposure to digital fraud and physical risk. Few have access to health insurance paid leave or pension coverage. The mismatch between how gig workers are classified for labour purposes and how they are treated for tax purposes adds further uncertainty.

The policy task ahead is not to slow this growth. It is to make this growth safer and more secure. This means building portable and platform neutral social security frameworks. It means clarifying worker classification in ways that do not default to the lowest level of protection. It means setting up accessible grievance redressal systems for payment and account disputes. It also means strengthening digital and physical safety standards for a workforce that operates both online and on the street. India's gig economy can become a genuine source of livelihood and economic

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dynamism. For this to happen its expansion must be matched by an equal expansion in decent work protections.

THANK YOU

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