EPRA International Journal of Environmental Economics, Commerce and Educational Management
Journal DOI: 10.36713/epra0414 |ISI I.F Value: 0.815|SJIF Impact Factor (2025): 8.57 ISSN: 2348 – 814X
Volume: 13 | Issue:1 | January 2026 -Peer Reviewed Journal

INDIA'S GIG ECONOMY

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ABSTRACT

This article highlights,for the first time a nation wide collective assertion by gig workers demanding dignity, regulation and accountability in india's platform economy. This protest highlights how crucial gig workers how become to everyday urban services across india. At the same time it underscores regulatory gaps that leave these millions without basic rights or protections. The gig economy how stands at a crossroads between rapid expansion and the urgent need for labour justice.

KEY WORDS: *Status, Regulation, Challenges,Way Forward, Contribution in Development.*

INTRODUCTION

India's gig economy has emerged as a major feature of its labour market. The recent nation wide new year's eve string by ten of thousands of app based delivery and transport workers has starkly revealed the harsh realities behind the convenience economy long hours,lowpay and unsafe conditions.

What is the Gig Economy ?

The gig economy refers to labour market where work is performed through short -term, flexible and task based engagements rather than traditional full time employment.

In this system, individual often called gig or platform workers,earn income by providing services such as food delivery, ride hailing, logistics, freelance work or home service through digital platforms like Uber,swiggy, Zomato,ola etc.

Status of the Gig economy in India

India's gig economy has grown significantly in recent years,with an estimated 12 million gig workers by 2024-25, up from around 7.7 million in 2020-21.

This segment now makes up over 2% of total workforce and is expanding due to digital connectivity, urbanisation and the rise of on demand services like food delivery and ride hailing.

According to government estimates the number of gig and platform workers could rise to about 23.5 million by 2029-30 representing a larger share of India's non-agricultural workforce.

Regulation in India

The code on social security (2020) format recognised gig and platform workers and allowed for social security scheme but enforceable standards on wages, working hours, grievance redressal and algorithmic accountability remain weak or unimplemented.
State like Rajasthan and Karnataka have passed welfare legislation through implementation is lagging.

Draft rules under the social security code released in January 2026 proposed that gig and platform workers must be engaged with an aggregator for at least go days in a financial year to qualify for social security benefits established by the centre.
For those working with more than one aggregator the required period increase to 120 days.

Challenges

- Income instability and absence of minimum wages.
- No social security (pension, health, insurance).
- Algorithmic control and arbitrary deactivation.

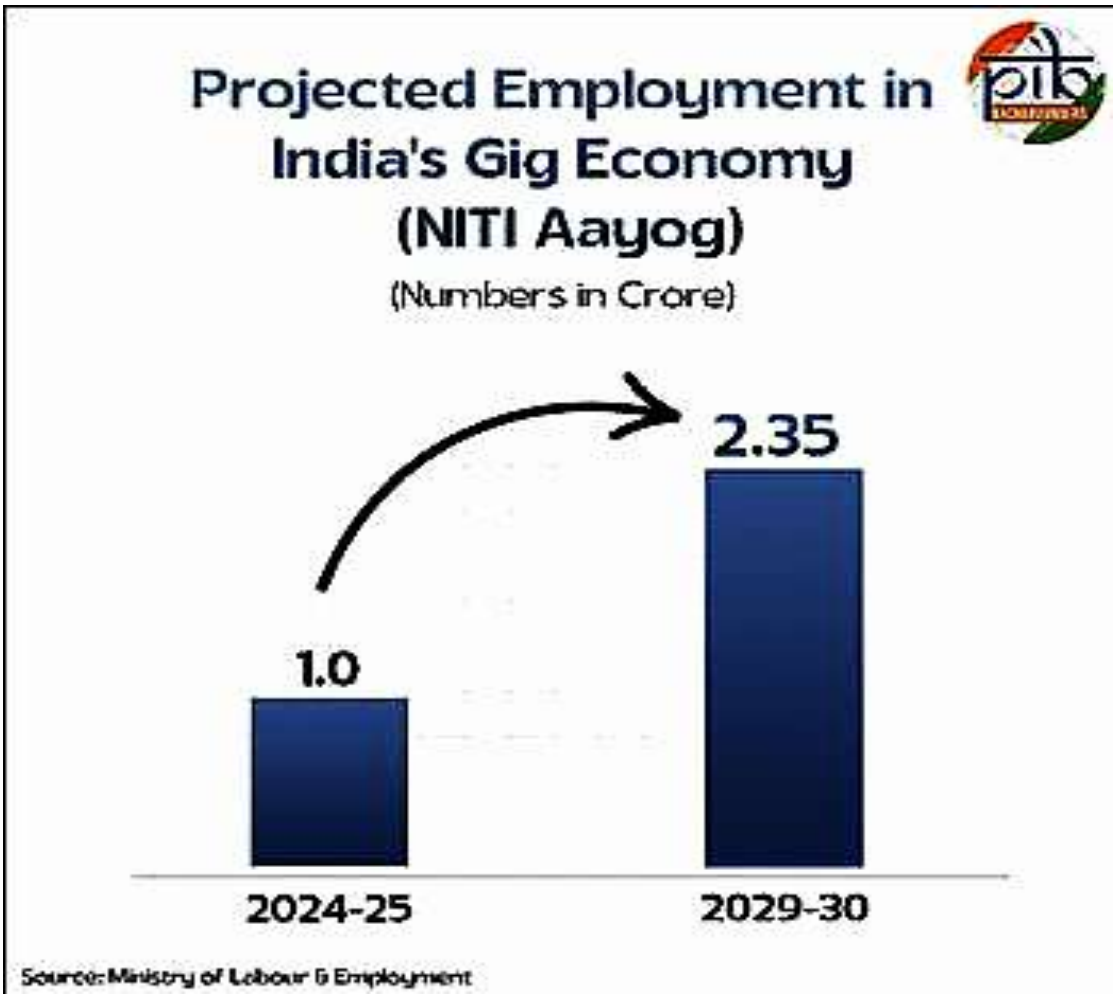
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- Weak grievance redressal mechanism.
- Long working hours and unsafe conditions.

The Gig Economy Contribute to India's Development Journey

● **Employment Generation & Youth Absorption:**

The gig economy provides livelihoods to over 7-8 million workers (projected to reach 23.5 million by 2030), absorbing surplus labour from agriculture and informal sectors. It plays a crucial role in urban employment, especially for youth, migrants, and semi-skilled workers, thereby reducing open unemployment.



● **Boost to Services Sector & GDP:**

Gig platforms significantly contribute to the services sector, which accounts for over 55% of India's GDP. Sectors such as ride-hailing, food delivery, logistics, e-commerce, home services, and digital freelancing have expanded rapidly, supporting service- consumption driven growth.

● **Promotion of Digital Economy & Innovation:**

Gig platforms accelerate digitalisation, cashless payments, GPS-based logistics, and Al-driven service delivery.They support India's Digital Public Infrastructure (DPI) ecosystem-UPI, Aadhaar, and mobile connectivity- enhancing economic efficiency and formalisation.With this, India's digital economy is expected to grow almost twice as fast as the overall economy, contributing to nearly one-fifth of national income by 2029-30.

● **Support to MSMEs and Entrepreneurship:**

Gig platforms enable micro- entrepreneurship by lowering entry barriers, workers can earn with minimal capital investment.Small businesses and MSMEs benefit from last-mile delivery, digital marketing, and logistics support.

● **Engine for Regional Economic Decentralization:**
The aggressive expansion of "Quick Commerce" and logistics into Tier- 2 and Tier-3 cities is decentralizing economic growth away from saturated metros like Bengaluru and Delhi.For instance, in 2025-26, India's Q- Commerce market surged to ₹64,000 crore.

●In 2026, an estimated 20 lakh (2 million) new gig jobs are expected, primarily driven by the expansion of platforms like Blinkit and Zepto into smaller cities. During the 2025 festive season, these platforms reported a massive 120% surge in orders, directly boosting rural and semi-urban incomes.

The key issue associated with India's Gig Economy
● **Income instability and job insecurity**
Unlike regular salaries jobs gig work depends on demand, platform polices and competition.
The report "prisoners on wheels" highlights severe work stress in the gig economy about 55% of delivery workers work 10-12 hours daily, while nearly 20 %[work 12 -14 hours.
● **Occupational health and "hustle"risks**
The pressure of '10 minute delivery' target and the "always on" nature of the apps lead to severe physical and mental health risk.
● Lack of adequate regulation and legal protection:India currently lacks a comprehensive regulatory framework that protects gig workers rights.
The social security code 2020 recognises gig workers for the purpose of social security,but standards on minimum wages, working hours,fair payment mechanism and grievance redressal are yet to be implemented effctly.
● **Algorithmic management and lack of transparency**
Plateforms largely manage work through opaque algorithms that decide pay, ratings and incentive.
● **Embedded gender and social gaps in gig employment :**
Women gig workers face additional barriers such as limited career progression lower pay and safety concern, especially during night shift or in high risk environment.
The world economic forum (WEF) notes a 30% gender wage gaping the gig economy, higher than in traditional job

Way forward for India
1. Minimum earning guarantees.
2. Universal social security coverage.
3. Transparent algorithms and appeal system.
4. Welfare board for gig economy workers.

Projected GDP Growth, Employment Growth for 2021 to 2030

Year	Employment growth	GDP growth
2011-12 to 2017-18	-0.535	7.046
2017-18 to 2019-20	5.972	5.280
2019-20 to 2024-25	1.092	3.692
2024-25 to 2029-30	1.092	7.000

Link to SDGs
- **SDG 8 –** Decent Work & Economic Growth
- **SDG 10 –** Reduced Inequalities
- **SDG 16** – Strong Institutions

CONCLUSIONS
India's gig economy can remain sustainable only if growth is matched with worker protection and fair regulation. Aligning with ILO principles can ensure transparency, dignity, and accountability in digital labour. Strengthening social security, regulating algorithms, and ensuring fair pay are essential to prevent exploitation. Such reforms advance SDG 8 (Decent Work) and SDG 10 (Reduced Inequalities). India's gig economy can become a growth engine only if technological efficiency is matched with social justice and worker protection.

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