

BEYOND THE GIG: Shaping the Future for India's Emerging Workforce

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India's digital economy is evolving at an unprecedented pace, spurred by a burgeoning internet user base and rapid technological advancements. Amidst this progression, the gig economy has emerged as a crucial component, offering flexible labour solutions and employment opportunities for millions. The increasing integration of digital platforms in daily life has facilitated the rise of gig work, where individuals can provide services on demand in sectors ranging from transportation and logistics to freelance

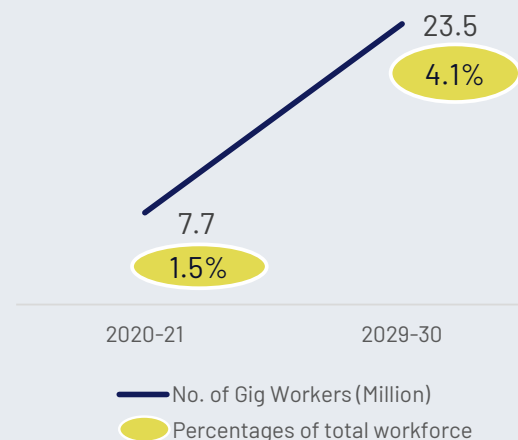
digital work. As this sector continues to expand, it's pivotal to understand its implications on India's workforce, particularly low and medium-skilled workers, and explore sustainable development frameworks that ensure equitable growth and social security. This article unfolds the current landscape of the gig economy in India, highlighting organisational and governmental roles in fostering a stable and inclusive job market.

The Gig economy is great for India! Or is it?

The gig economy's contribution to India's workforce is projected to rise significantly, from 7.7 million workers (1.5% of the total workforce) in 2020-21 to 23.5 million (4.1%) by 2029-30. At present only about 22% of the gig work is in high skilled jobs, about 47% in medium skilled jobs, and about 31% in low skilled jobs.

The low-paid "unskilled" jobs are proving to be a viable career option for many unemployed youth. Delivery partners on logistics platforms (Amazon, Flipkart, etc.), food deliveries (Zomato, Swiggy, etc.), home help and personal services (Urban Company, Maidpro, etc.), and courier services (Blue Dart, Delhivery, DTDC, etc.) are typical gig economy workers, who mostly work on jobs-on-demand, with low wages, short term contracts, part-time work and poor social protection.

No. of Gig Workers (Million)



Source: Niti Aayog – India's Booming Gig and Platform Economy June 2022



Why choose this mode of employment?

The lure of quick money without the need of higher education or vocational skills is one of the biggest attractions for joining the gig economy. Looking back, the pandemic significantly impacted job opportunities and the employment market and created financial pressures for many. Simultaneously, the demand for services like delivery, e-commerce, and online services increased, fuelling the growth of the gig economy. While the pandemic-induced surge in gig work has somewhat subsided, gig economy remains a significant part of the labor market, as Unemployment and Inflation remain the key concern for the masses (as shown by Ipsos What Worries the World 2025 – India edition). This has emerged as a viable source of income for many struggling to find regular employment, either due to lack of necessary skills, or lack of job opportunities even among those educated.

Flexibility is often cited as another key reason. The flexibility of switching between jobs, working for multiple employers at the same time and working as per individual requirement – setting own hours and choosing jobs that seem interesting are some of the unique benefits that gig economy workers have.

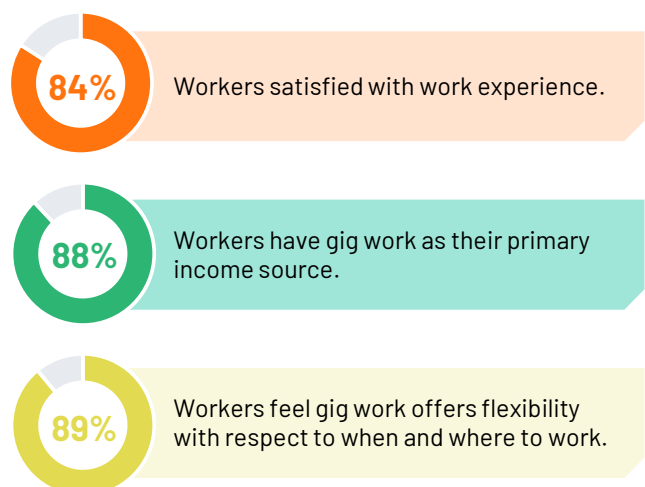
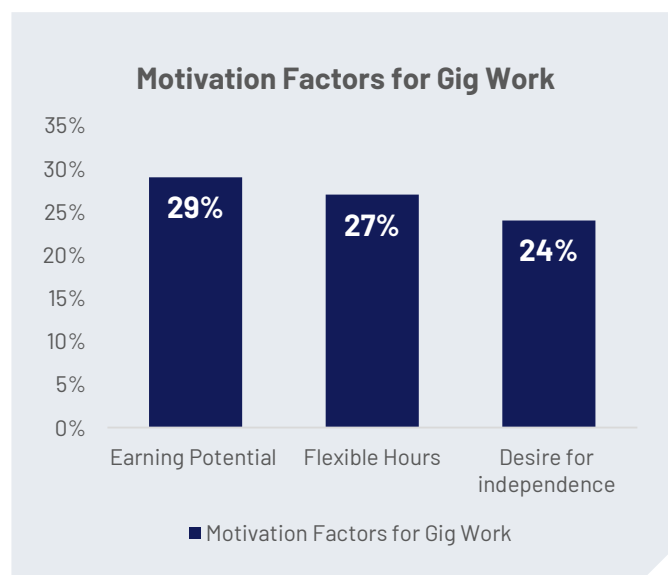
In fact for many youth, it could be a source of secondary income, or even pocket money (discretionary personal spends).

In a recent study¹ conducted by Ipsos India amongst gig workers engaged with popular gig work platforms such as Swiggy, Zomato, Uber, Ola, InDrive, Rapido, Amazon,



Flipkart, Zepto, Bigbasket, and Dunzo, 84% of gig workers said that they were satisfied with their work experience. The survey, which polled 3,668 gig workers across major metro cities including Delhi, Mumbai, Chennai, Bengaluru, Kolkata, and Hyderabad, delved into the motivations behind choosing gig work and the experiences of those involved in these platforms.

Earning potential (29%), flexible hours (27%), and a desire for independence (24%) were considered to be the other motivators for gig workers. The study further revealed that 89% of gig workers feel gig work offers them flexibility of when and where to work.



¹ Survey conducted by Ipsos Research Private Limited with platform workers engaged in the gig economy –2024 (<https://yourstory.com/2024/03/gig-work-is-primary-source-of-income-for-88-pc-of-gig-workers-report>)

All is not rosy with this gig economy though

Primary, not secondary: While gig work was initially considered to be a source of supplementary income for the family and sometimes an additional income for students and/or the unemployed, about 88% of gig workers stated in the survey that they relied on gig work as their primary source of income.

Mismatch of education and employment: The concerning trend now is these 'readily available' jobs are now being taken up by the educated unemployed also. The Economic Survey data of 2023-24 flags this concern, stating that over 53 % of graduates and 36 % of postgraduates were underemployed in roles below their educational qualification.

Limited career development opportunity: The opportunities for learning and skill-building in the gig economy is limited. This poses a huge risk of an unskilled/low skilled pool of the labour force, developing over the

years, who would lack the ability to do any specialized jobs as they grow older. The PLFS data 2023-24 shows that 90.2 per cent of this gig workforce has equivalent to or less than a secondary level of education.

The future of these gig workers, therefore, remains uncertain. In the same Ipsos survey, 29% of gig workers find the absence of social security benefits like insurance and provident fund to be a significant challenge for considering any long-term engagement in their current gig work. Additionally, intermittency and precariousness in jobs (one-week contracts, periods of unemployment), involuntary unemployment, unsociable working hours and self-employment with erratic incomes are other issues that plague this sector and given the size and scale of this workforce, can soon pose significant challenges for long-term financial stability and well-being for many productive later years for gig workers.



Collaborative efforts between the government and corporates can lead to significant impact

Companies can fold their actions as part of their ESG strategy and contribute towards this evolving requirement for the advancement of the gig workforce. **Organisations** leveraging the gig workforce must move beyond simply accessing a flexible labour pool and embrace a more responsible approach.

- **Investing in Skill Development:** Companies can proactively invest in upskilling and reskilling programs for gig workers, aligning their capabilities with evolving

industry needs. This not only enhances worker productivity but also improves their long-term employability.

- **Providing Social Security Benefits:** Organizations should explore innovative mechanisms for providing social security coverage to gig workers, such as portable benefit plans and partnerships with insurance providers. This can enhance worker loyalty and attract skilled talent.

- **Promoting Fair Labor Practices:** Transparent contracts, fair wages, and reasonable working hours are essential for ensuring ethical treatment of gig workers. Organisations should establish clear guidelines and grievance redressal mechanisms to address worker concerns.
- **Creating Pathways for Career Progression:** Identifying and nurturing high-performing gig workers can create a pipeline of talent for permanent roles within the organisation, offering opportunities for career advancement and greater stability.

The **government** plays a crucial role in shaping the future of the gig economy and ensuring its positive contribution to the workforce.

Current social and legal systems in India are unable to take care of individuals flexibly and smoothly when they change their jobs or shifts repeatedly, as is done by gig workers, or when they do not work for a minimum certain number of hours in a day. Under these circumstances, universal social benefits are a crucial requirement for workers in the gig economy.

- **Strengthening Social Security Framework:** Expanding existing social security schemes like Ayushman Bharat to include gig workers is crucial. Exploring innovative models like portable benefits platforms and mandatory contributions from gig platforms can provide comprehensive coverage.
- **Promoting Skill Development and Training:** Targeted skill development programs tailored to the needs of gig workers are essential. Leveraging digital platforms like Skill India Digital Hub (SIDH) can expand access to

training opportunities and bridge the skill gap.

- **Regulating Platform Work:** Establishing clear legal frameworks for platform work, recognizing gig workers as employees, and ensuring minimum wage standards are crucial for protecting worker rights and promoting fair labour practices. A national portal for gig worker registration with portability features would facilitate tracking work history and ensuring access to benefits. The Rajasthan state government has passed laws for Gig workers to ensure labour rights, social security, and welfare programmes for platform workers, by proposing to take a portion of the platform fee from the gig aggregator companies. Jharkhand has also brought about a bill in this regard.

One of the other most important tasks for the government would be to bring about legislation to recognize the work done by gig workers as commercial or institutional employment and not self-employment (which is how it is categorized at present). The Code on Social Security 2020, framed by the government, takes a step towards this by defining gig workers and mentioning social security and welfare provisions for them.



The gig economy presents a unique opportunity for India to leverage its demographic dividend. However, realising this potential requires a collaborative effort between organizations and the government. By addressing the challenges related to social security, skill development, and fair labour practices, we can create a sustainable and inclusive gig economy that benefits both workers and the broader economy.

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