
A STUDY ON THE GIG ECONOMY TRANSFORMATION IN INDIA: A SECONDARY DATA ANALYSIS (2015-2025)

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ABSTRACT

This study, "A Study on the Gig Economy Transformation in India: A Secondary Data Analysis (2015-2025)," explores how India's employment structure has evolved with the rise of digital platforms and technology-driven work models. Using secondary data from reliable sources such as NITI Aayog and RBI, it examines trends in workforce growth, sectoral shifts, skill development, and economic contribution. The findings show that gig work has expanded rapidly, especially after the COVID-19 pandemic, fueled by smartphone penetration, UPI adoption, and digital connectivity. The gig economy now extends beyond metro cities into smaller towns and reflects a growing share of skilled and semi-skilled workers. However, challenges like income insecurity, lack of social protection, and gender disparities persist. The study concludes that while the gig economy has become a key engine of flexibility and innovation, its sustainable future relies on stronger policies, social safety measures, and continuous skill upgradation to ensure inclusive and stable employment in India's digital era.

Keywords: Gig Economy, Gig Workers, Workforce Transformation, Digital Platforms, Social Security, Skill Development.

I. INTRODUCTION

Over the past decade, India has witnessed a major transformation in its employment landscape. The traditional idea of stable, full-time jobs is gradually giving way to flexible, technology-driven, and project-based work models that define the gig economy. This new labour market thrives on short-term contracts, freelancing, and platform-based jobs rather than conventional salaried roles. What began with ride-hailing and food delivery services has now expanded into diverse sectors such as education, finance, technology, healthcare, and creative services.

The rapid growth of this work culture is closely tied to India's digital progress. Affordable smartphones, improved internet access, and digital payment systems like UPI have enabled millions, especially young people, to engage in gig work. For many, it offers flexibility, independence, and a better work-life balance. During the COVID-19 pandemic, it became a crucial income source as formal jobs declined. Over time, gig work has spread beyond metros into smaller towns, marking a lasting shift in employment trends.

However, challenges persist, many gig workers face income instability, job insecurity, and lack of social protection such as healthcare or retirement benefits. Digital inequality and gender gaps remain major barriers. This study analyzes the growth and transformation of India's gig economy from 2015 to 2025 using secondary data, examining trends in workforce growth, sectoral diversity, and economic impact. It aims to provide insights for policymakers, platforms, and workers to ensure that India's gig economy fosters not just innovation and opportunity but also inclusive and sustainable livelihoods.

II. REVIEW OF LITERATURE

1. Sundararajan (2016), in his book titled "The Sharing Economy", argued that digital platforms are creating new market structures that blur the lines between personal and professional, and between employment and entrepreneurship.
2. De Stefano V. (2016), described gig work as a form of labour mediated by digital platforms where workers perform short-term, on-demand tasks. This model challenges traditional employment structures by emphasizing flexibility, autonomy, and task-based earning.
3. Kalleberg and Dunn (2016), stated that the rise of non-standard employment is part of a broader trend toward labour market flexibilization, which simultaneously offers opportunity and precarity.
4. Spreitzer et al. (2017), highlight the positive aspects of alternative work arrangements, emphasizing the autonomy, flexibility, and empowerment they can offer workers. They suggest that for many, this model provides a sense of control and freedom missing in traditional employment.
5. Woodcock and Graham (2020), in "The Gig Economy: A Critical Introduction", Their research highlighted how platforms often classify workers as independent contractors, thereby denying them essential benefits and protections like minimum wage, health insurance, and collective bargaining rights.

6. NITI Aayog (2022), in their report “India's Booming Gig and Platform Economy”, quantitatively established this link, projected the workforce to grow to 23.5 million by 2030 and highlighted the symbiotic relationship between digital penetration and gig work.
7. Agarwala, R. (2022), argued that while platform work has elements of formality, it often replicates the insecurities of informal work such as lack of social security, job instability, and low bargaining power. This creates a hybrid or semi-formal category of work that existing labour laws are poorly equipped to handle.
8. The International Labour Organization (2021) reports that platform work has grown rapidly worldwide, with millions of workers relying on digital platforms for partial or full income. However, challenges such as algorithmic control, lack of social protection, and absence of collective bargaining persist across countries.

III. OBJECTIVES OF THE STUDY

1. To analyze the growth, structure, and trends of the gig economy in India from 2015-2025.
2. To examine the socio-economic implications of the gig economy's expansion.

IV. RESEARCH METHODOLOGY

1. Research Design

The study is a descriptive and analytical research design based on secondary data analysis. The purpose is to examine the transformation of India's gig economy over a ten-year period (2015-2025) in terms of its growth, structure, and socio-economic implications. This study focuses on interpretation of existing data, reports, and publications to identify trends, patterns, and relationships within the evolving gig workforce.

2. Data Collection

This study is based on secondary data collected from credible sources, including government reports (NITI Aayog, MOSPI, Ministry of Labour, Economic Surveys), international organizations (ILO, World Bank, OECD), and policy think tanks (Fairwork India, IWWAGE, CPR). Additional insights were drawn from academic databases and reputed business newspapers for recent trends and contextual analysis.

3. Data Analysis Tools and Techniques

The collected data from various sources has been compiled, organized, and analyzed using descriptive statistical methods such as percentage and trend analysis for year-wise comparisons. Graphs and charts have been used to visually present growth patterns and structural changes, while comparative analysis highlights sectoral and temporal variations. Additionally, qualitative content analysis of policy reports and academic studies helps identify key themes, challenges, and policy recommendations shaping India's gig economy.

4. Time Period

The study covers the period from 2015 to 2025, capturing a decade of India's digital and economic transformation. This timeframe includes key initiatives like Digital India, Skill India, social security reforms, along with major events such as the COVID-19 pandemic, which greatly impacted gig work dynamics.

5. Scope of the Study

The scope of this research covers gig and platform-based employment across India's formal and informal sectors, focusing on employment patterns among youth, women, and urban workers. It also examines emerging technology-driven work trends and explores policy implications for labour welfare, digital inclusion, and social protection.

6. Limitations of the Study

1. The study relies on secondary data only, which may differ in definitions and measurement standards across sources.
2. Data gaps or outdated information, especially related to informal gig work, may affect the accuracy of results.
3. The findings depend on the availability and reliability of published data from 2015 to 2025.

V. DATA ANALYSIS & INTERPRETATION

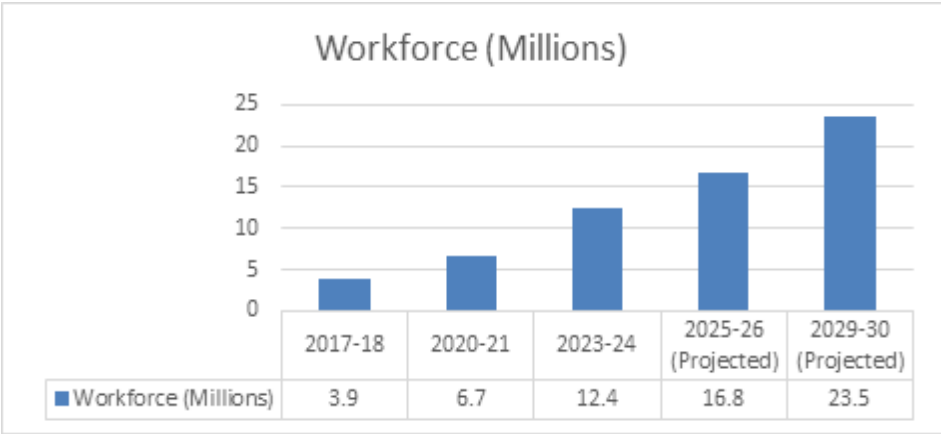
1. Gig Workforce Growth Trajectory Analysis

Table 1: Gig Workforce Growth Projections

Year	Workforce Size (Millions)	Annual Growth Rate	Key Drivers
2017-18	3.9	-	Initial digital adoption
2020-21	6.7	19.7%	Post-pandemic surge
2023-24	12.4	22.8%	Tier-2/3 city expansion
2025-26 (P)	16.8	16.4%	Platform diversification
2029-30 (P)	23.5	8.8%	Market maturation

Source: NITI Aayog (2022), BCG Analysis

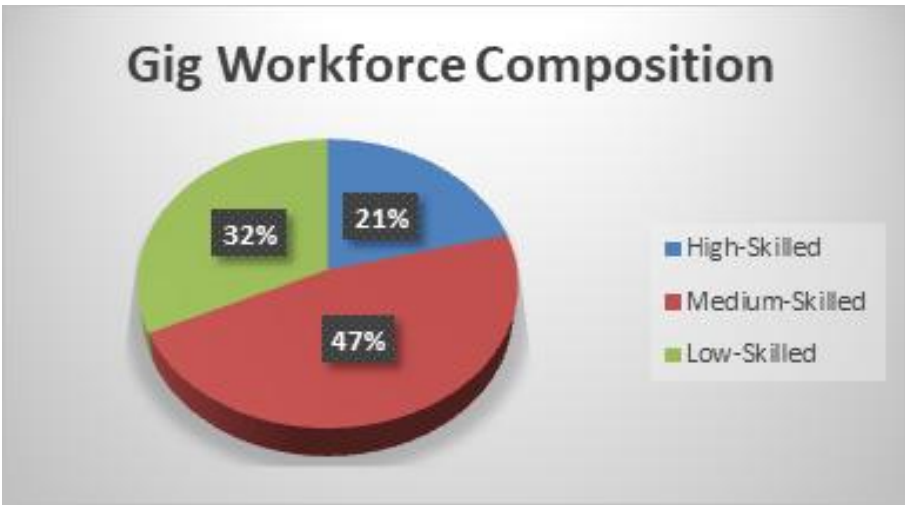
The table shows a clear growth journey of gig workforce. Growth followed an S-curve trajectory, representing an early adoption phase (2017-2020), rapid expansion (2020-2023), and a stabilization phase post-2025. From 2017-2020, gig work grew steadily as digital platforms gained popularity. The pandemic (2020-2022) boosted this growth dramatically, making online work the norm. The 22.8% rise in 2023-24 marks gig work’s mainstream acceptance, while the expected slowdown after 2025 suggests the market is maturing and stabilizing. This pattern suggests the gig economy is transitioning from explosive growth to sustainable expansion.



Source: NITI Aayog (2022), BCG Analysis

2. Sectoral Composition Analysis

A. Skill-Level Distribution



Source: NITI Aayog (2022), Industry Analysis

India's gig economy is maturing beyond basic services. The 47% medium-skilled segment indicates the emergence of specialized roles in areas like finance, marketing, and technical support. The 21% high-skilled workers represent the professionalization of the gig economy, including consultants, developers, and creative professionals. The persistent 32% low-skilled segment highlights that basic service delivery remains a significant employment generator, particularly for workers with limited formal education.

B. Sectoral Earnings Analysis

Table 2: Sectoral Breakdown and Earnings

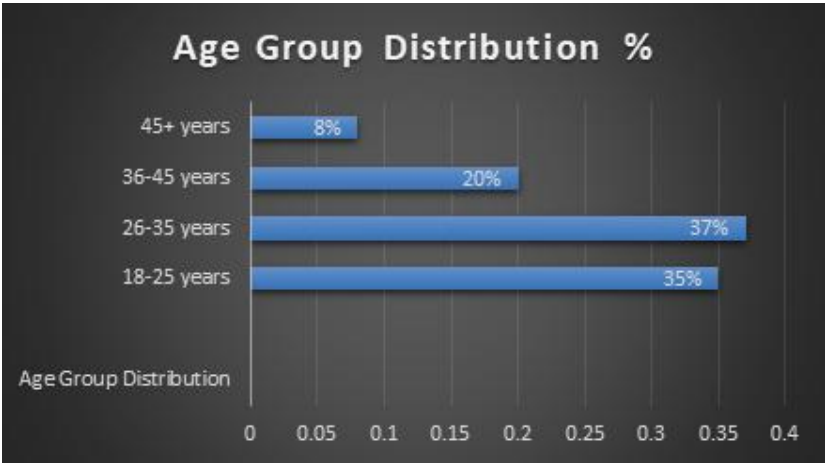
Sector Category	% Share	Avg. Monthly Earnings (INR)	Growth Trend
Transportation	28%	18,000-25,000	Stable
Delivery Services	24%	15,000-22,000	High Growth
Professional Services	18%	35,000-80,000	Rapid Growth
Retail & E-commerce	15%	16,000-24,000	Moderate
Home Services	8%	20,000-40,000	High Growth
Others	7%	Varies widely	Emerging

Source: Platform Financial Reports, Industry Surveys

The gig economy is a tale of two realities. Few with specialized skills thrive as freelancers, while the vast majority delivery and ride-hailing workers remain stuck in low-paying, insecure jobs, showing how this new world of work is deepening old economic divides.

3. Demographic Profile

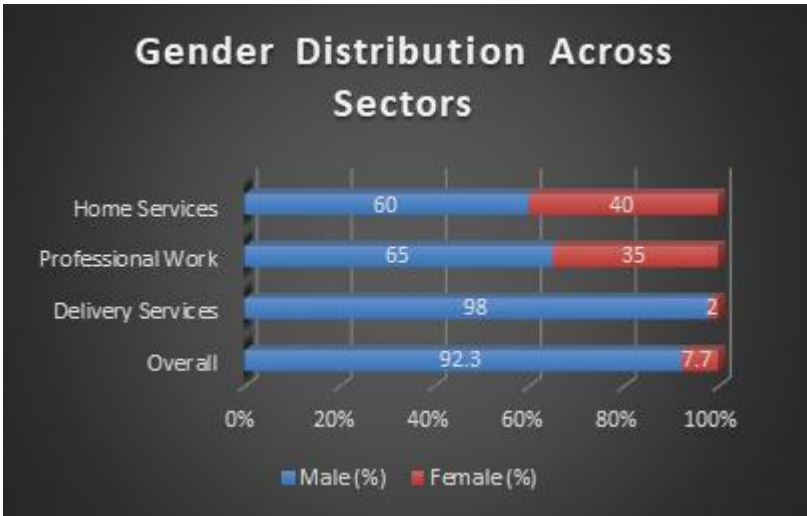
A. Age Distribution of Gig Workers



Source: Pearson & Oliver Wyman (2021), NITI Aayog

The gig economy is youth-centric, with 72% of workers aged between 18 and 35 years. This reflects the influence of digital literacy, flexibility preference, and entrepreneurial mindset among younger Indians.

B. Gender Distribution Across Sectors

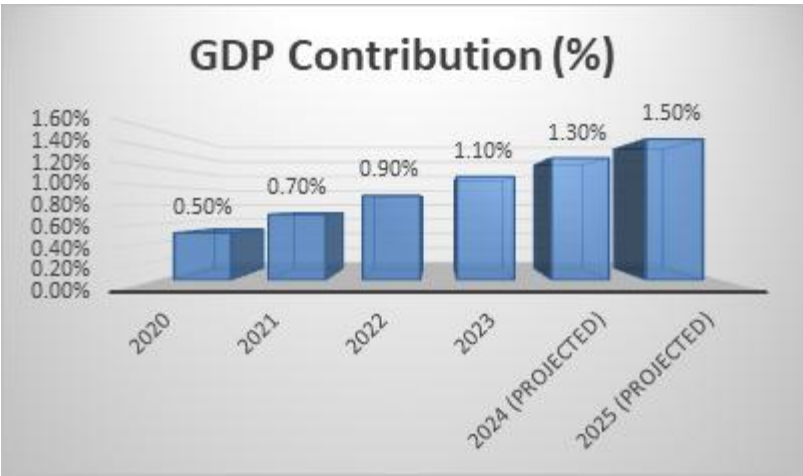


Source: NITI Aayog (2022), Platform Diversity Reports

Female participation remains low, largely due to safety concerns, societal norms, and limited access to mobility-based work. However, higher participation in professional (35%) and home-based services (40%) indicates that women’s involvement is improving in flexible, remote-friendly sectors. The sector-wise variation suggests that gender inclusion requires sector-specific strategies rather than one-size-fits-all approaches.

4. Economic Impact Analysis

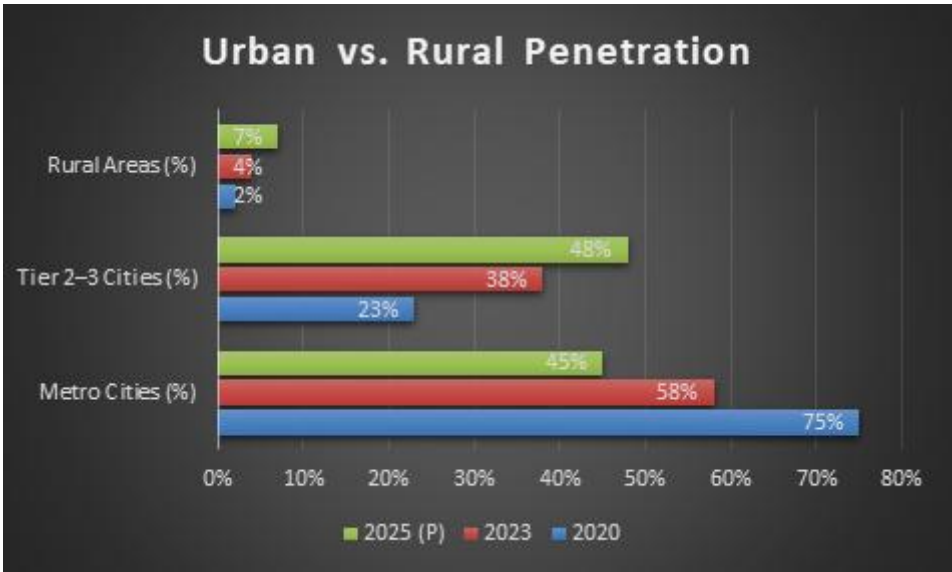
A. Contribution to GDP



Source: BCG (2021), Economic Survey of India

The gig economy’s contribution to India’s GDP has risen steadily from 0.5% in 2020 to an expected 1.5% by 2025. This signifies its growing importance as a mainstream employment source comparable to traditional industries.

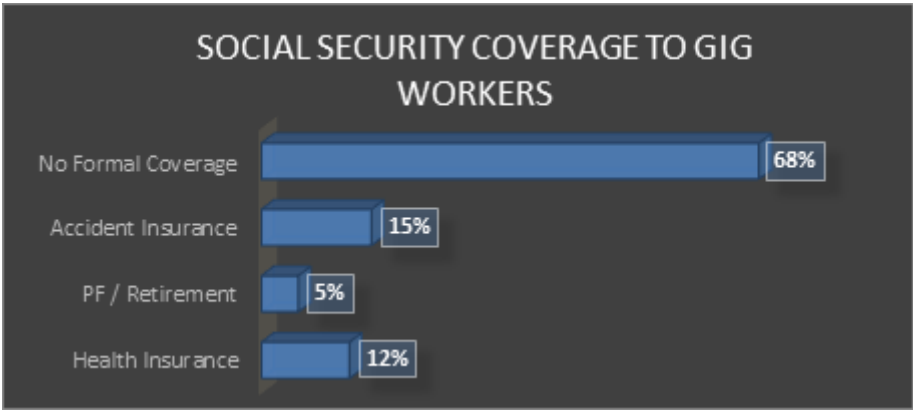
5. Regional Distribution



Source: ASSOCHAM Reports, Platform Expansion Data

The data shows a clear shift of gig economy activity from metro cities to smaller towns and rural areas. While metro participation drops from 75% in 2020 to a projected 45% in 2025, Tier 2–3 cities rise sharply from 23% to 48%, and rural areas grow modestly from 2% to 7%. This trend reflects expanding digital access, improved infrastructure, and platform outreach beyond metros, leading to a more geographically inclusive gig workforce and reducing urban dependence for employment opportunities.

6. Social Security Coverage



Source: Fairwork Foundation (2022), Worker Surveys

The data reveals that a majority of gig workers (68%) lack any formal social security coverage, highlighting a major gap in financial protection. Only a small proportion have health insurance (12%), accident insurance (15%), or PF/retirement benefits (5%), indicating limited access to structured welfare schemes. This underscores the urgent need for policy intervention and platform-level initiatives to ensure better social security for gig workers.

7. Technology Adoption Drivers

Table 3: UPI Transaction Correlation

Year	UPI Transactions (Bn)	Gig Workers (Mn)	Correlation Coefficient
2020	25	6.7	0.94
2021	45	8.9	0.92
2022	74	12.4	0.96
2023	110	15.1	0.95

Source: RBI Reports, NPCI Data

The data indicates a strong positive correlation between the rise in UPI transactions and the growth of gig workers in India from 2020 to 2023. As digital payment volumes surged from 25 billion to 110 billion, the number of gig workers increased from 6.7 million to 15.1 million, with correlation coefficients consistently above 0.9, signifying a very high association. This trend highlights how the expansion of digital payment infrastructure, led by UPI, has facilitated smoother financial transactions, boosted platform-based work, and played a key role in accelerating the growth of the gig economy.

8. Skill Development Trajectory

Table 4: Expected Skill Shift (2023-2030)

Skill Level	2020 (%)	2025 (%)	Change (%)
Low-Skilled	32%	25%	▼ 7%
Medium-Skilled	47%	50%	▲ 3%
High-Skilled	21%	25%	▲ 4%

Source: Industry Projections, Skill Development Reports

The data reflects a clear upward shift in the skill composition of the gig workforce, with low-skilled workers declining from 32% to 25%, while medium- and high-skilled segments rise to 50% and 25%, respectively, by 2025. This trend indicates growing demand for digitally proficient and specialized talent as gig platforms diversify into areas like tech support, finance, and creative services. The shift also underscores the increasing importance of skill development and training initiatives to help workers move up the value chain and remain competitive in a rapidly evolving gig economy.

V. CONCLUSION

This study highlights a decade (2015-2025) of major change in the country’s employment landscape. The gig economy has moved from a marginal work model to a vital part of India’s digital ecosystem, fueled by rapid smartphone use, digital payment adoption, and the rise of online platforms across diverse industries. The analysis shows steady workforce growth, wider reach beyond metro cities, and a noticeable shift toward medium- and high-skilled work, indicating increasing specialization and professionalization.

At the same time, significant challenges persist such as income uncertainty, weak social security, and gender gaps which restrict its inclusive growth. Although the gig economy is contributing more to India's GDP and providing flexible work opportunities, it still faces the realities of informality and job insecurity.

To ensure long-term sustainability, strong policy measures are needed to extend social protection, enhance skill development, and promote digital inclusion. Building supportive frameworks that protect worker rights and ensure fair access across regions and genders will be crucial. Overall, India's gig economy stands as both a marker of digital progress and a challenge for social equity, with its true success depending on how well technological growth is aligned with inclusion and worker welfare.

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