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The Conundrum of Gig Economy in India: Employability Versus Autonomy

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Abstract

The Gig economy started flourishing in India post 2000 with the use of smartphones and easy access to internet facilities. The breakout of Covid-19 and the lockdown of the economy in 2020 increased the demand for online workers. The Gig economy has opened new employment opportunities for India's vast pool of unskilled and uneducated workers with the emergence of companies like Ola, , Zomato etc. A significant percentage of the gig workers are women though their percentage is far less than the world average. Moreover, women are mainly concentrated in selected sectors like beauty services and domestic workers. The Gig economy has gained increased popularity over the years owing to factors like flexible timing, independence of the workers, etc. However, despite their strong presence, fact remains that the Gig economy is still mainly confined to the informal sector of urban India. Workers are forced to work under poor working conditions with limited social security. This chapter explores how the Gig economy has become an integral part of modern India, its impact on the employment situation of the country, and comes up with the conclusion that the government must ensure minimum wages and insurance of the Gig workers so that it can boost up the economic growth of the country.

Keywords: *Gig Economy. Internet Usage, Unskilled Workers, Employment, Informal Sector.*

Introduction

The Indian economy has made significant strides in terms of growth rate post liberalisation. It is the 4th largest economy in the world in terms of GDP (Gross

domestic Product) after the likes of countries like US, China and Germany. However, the rise of the economic growth rate has not been matched by a concomitant rise in the employment of the country. This has severe repercussions on the economy. Despite its high growth rate, India struggles with critical issues like acute poverty and high levels of inequality. It has not been able to reap the benefits of demographic dividend because of lack of employment opportunities for the youth. According to the Periodic labour force (PLFS, 2025), as of now, India's rural unemployment stands at 13.7% while the urban youth unemployment is 17.9%. This is because India's manufacturing sector has not been able to generate much success even after the reforms of 1991-92. The service sector which was the main pillar of India's growth cannot provide decent employment to India's vast pool of illiterate, semi-skilled labour force. The gig economy serves as a bridge for the entry to India's labour market. It provides employment opportunities to the less educated when entry to the formal labour market is becoming increasingly difficult. The Gig economy played a very important role particularly during the Covid period when companies started to cut down their costs. Post Covid also, it became a saviour for those workers who were laid off or finding difficulties to get appropriate jobs because of a slump in the labour market and other factors. The gig economy primarily involves short-term, task-based roles (e.g., delivery, ride-hailing, e-commerce logistics) which offers scope for semi-skilled workers to earn decent income. The women also found their own avenues in the gig economy with apps providing beauty and care giving services. According to the Online Labour Index (OLI) Survey, 2016 indicates that India has emerged as the third largest online labour market. Nearly one out of every four gig workers (24%) in the world is present in India. India's global online gig supply has burgeoned from 25% in 2017 to 33% in 2021 (OLI Survey, 2021). The Gig platform gives workers the independence to choose their work, the number of work hours and holidays. In other words, the gig platform offers more flexibility and freedom to individual workers which are absent in traditional jobs. Women particularly benefit from this model as it helps to restore the work home balance. According to a 2022 NITI Aayog report (cited in India's Economic Survey), the gig workforce in India stood at around 77 lakh (7.7 million) in FY 2020-21. The gig workers are spread across all sectors of the economy from food delivery to E-Commerce. However, the gig economy in India also has its own limitations. Firstly, the growth of the gig economy is still restricted to urban India as major portion of people living in rural areas still do not have internet facilities. Moreover, since there is no regulation of such work, gig workers are often subject to unfair exploitation ranging from low wages to lack of social security. The present study aims to analyse the nuances of the growth and employment contribution of the gig economy. It explores both the potential and pitfalls of the gig economy while and comes up with recommendation for the prospects of this rapidly evolving modern platforms of employment.

Theoretical Background

Many organizations increasingly rely on the gig economy for higher business performance and gains in competitive advantage. This paradigm leverages temporary, flexible jobs often facilitated by digital platforms. A stark power imbalance between the workers and the digital platforms often characterizes the platform economy. Workers frequently experience feelings of anger and dependence, as highlighted by **Wood et al. (2023)**, which are compounded by a sense of algorithmic domination where decision making is opaque and skewed toward platform interests (**Muldoon and Raekstad 2023**). Algorithmic management (or domination) refers to using algorithms and data-driven systems by digital platforms to assign tasks, monitor performance, and make managerial decisions traditionally performed by human managers. However, algorithmic management also has the potential to empower workers by providing flexible work opportunities and the efficient matching of tasks to skills. For instance, algorithms can streamline processes, reduce the biases inherent in human management, offer gig workers a degree of autonomy in choosing when and how they work (**Ravenelle 2019**), and enhance efficiency and scalability, enabling platforms to match supply and demand rapidly. This dual role of algorithmic management, both a tool of control and an enabler of flexibility, highlights the complex dynamics within the gig economy. Recognizing these contrasting aspects is crucial for comprehensively understanding gig work and workers' strategies to navigate this landscape.

Previous studies contribute to understanding the dynamics of power and control in the on-demand economy by examining the interplay between gig workers, platforms, and customers, discussing the "shadow employer" role of platforms (the indirect way in which platforms exert employer-like control over workers without formal employment relationships), highlighting how algorithmic management shapes the relationships between workers and clients, often leaving workers to navigate the platform's opaque rules and expectations (**Bucher et al. 2021**). Similarly, other authors explore the shifting power dynamics in platform settings, where customers sometimes gain temporary control over workers (**Cameron and Rahman 2022**). However, this control is based on the platforms' design and intention, which can obscure the actual dynamics of power. These studies collectively suggest that while platforms may decentralize specific controls, they maintain overall power through algorithms that monitor and evaluate worker performance, often relying on customer ratings.

On the other hand, **Newlands (2021)** elaborates on how workers utilize data obfuscation as a form of resistance against algorithmic surveillance, manipulating the data collected by platforms to alter work conditions favourably. Data obfuscation is a strategy which workers use to intentionally distort or manipulate the data collected by platforms to alter the work conditions or evade surveillance. **Bellesia et al. (2023)**

highlight the nuanced ways in which crowd workers manage algorithmic scores to influence their work identities and opportunities, suggesting that workers are not merely passive recipients of algorithmic decisions but actively engage with these systems to shape their labour outcomes. Moreover, **Petriglieri et al. (2019)** suggest that gig workers develop holding environments to manage precarious work identities, indicating a form of collective emotional and psychological support that counters the isolating nature of gig work. Holding environments are supportive structures or relationships that help individuals cope with stress and uncertainty, enabling them to maintain a stable sense of self in challenging work contexts. Again, **Cameron and Rahman (2022)** offer insights into the co-constitution of control and resistance within the gig economy, noting that workers' covert resistance can lead to increased operational costs for platforms, subtly shifting the power dynamics. Social networks often facilitate such resistance where gig workers share tactics for manipulating algorithms, managing ratings, and avoiding penalties. For example, workers might coordinate to collectively rate each other positively or share information about peak demand times and locations. These collective efforts enhance individual and group autonomy, demonstrating how social networks are instrumental in enabling gig workers to navigate and resist algorithmic control.

Women Gig workers in India

According to recent estimates (2023–24), India's female labour force participation rate hovers around 25% - 30% which is among one of the lowest in the world. Despite significant gains in education, India's female labour force participation remains far below the world average. The roots to this problem have often been traced to India's patriarchal society and standardised gender norms. Lack of infrastructure and safety issues also restrict the freedom and mobility of women. Women often choose to remain unemployed due to the absence of employment opportunities that meet their choices like close proximity to home, favourable working hours etc.

The gig economy has opened new avenues for women as it offered myriad choices like work from home opportunities, flexible shifts etc. Urban women mainly started entering India's gig economy around 2010s with the entry app-based platforms like UrbanClap. The Gig economy attracted women specifically during the Covid 19 phase with opportunities like online tutoring, digital marketing etc. The flexibility and autonomy offered by gig work made it attractive for women, especially those who found it difficult to access or retain formal, full-time employment due to societal or familial responsibilities. As of 2024–2025, India is estimated to have between 15 to 25 million gig workers, of which women constitute approximately 10% to 15%. However, there is considerable occupational segregation within the ambit of the gig economy,

both horizontal as well as vertical. Below are some of the sectors where female gig workers are mainly concentrated.

Sectors within Gig Economy have a higher concentration of Women

Personal Services

Women dominate sectors like salon services, skincare, and wellness. Urban Company, for example, reports that over 75% of its beauty service professionals are women. The advantages of these jobs are that require certain skills, limited education and are localized in general.

Online Tutoring and EdTech

Platforms like Vedantu, Byju's employ thousands of women as online educators. There is usually no gender discrimination in terms of pay-package.

Social E-Commerce

Social E-Commerce platforms like Meesho connects suppliers with customers and resellers. Meesho helps to empower women resellers to gather investment for their future business ventures. Moreover, Meesho has made e commerce accessible for women customers in Tier II and Tier III cities.

Women remain largely underrepresented in mobility-based gig work such as delivery, warehouse and logistics services. Women drivers and delivery partners still constitute less than 1% of the workforce in this category. However, women workers in the gig economy face lots of obstacles. Most of the gig work is in the informal sector, so there is little benefit for women like maternity leave etc. In the absence of formal HR structures or grievance mechanisms, women may be more exposed to harassment from clients or employers. In the absence of a proper formal structure, women often miss out necessities like washroom services.

However, despite these shortcomings, the participation of women in India's gig economy, marks a significant step toward economic inclusion and empowerment with the right policy support, the gig economy could become a powerful vehicle for bridging the gender gap in employment and transforming the future of work for Indian women. The government is taking up initiatives to encourage the participation of women workers in the gig economy. For example, the e-Shram portal, launched to register informal and gig workers, aims to improve social security coverage women. Moreover, the increasing availability of regional-language apps and digital tools is helping rural women participate in the digital economy.

A Case study of Urban Clap: A Revolutionary of home services in India

'UrbanClap is a platform to make our urban lives more fulfilling to solve our needs in a clap. Hence the name, UrbanClap'

—Abhiraj Singh Bhal, Co-Founder and CEO of UrbanClap

Urban Clap was founded by three young entrepreneurs named Abhiraj Bahl, Varun Khaitan, and Raghav Chandra in 2014 providing home utility services. It gathered local plumbers, electricians, and beauty specialists to give at-home services via its mobile app and website. The enormous Indian market struggled to find qualified professionals and predictable services. Urban Indians needed trustworthy home-service specialists to meet their doorstep needs. It helped to save the time for working professionals. At the time when Urban Clap was formed, it had very few competitors in the market. Urban Clap became hugely successful within a few years. According to reports, in the financial year 2019 itself, Urban Clap served around 3.3 million customer orders, and the gross transaction value (GTV) of all orders was approximately Rs.400 Crore. The main factor behind Urban Clap's success was its strong commitment on customer satisfaction and training of workers. The company partnered with NSDC to recruit, train, and hire at least a million people from tier 2 and 3 cities to expand operations. UrbanClap protected customers with police-verified workers, rigorous onboarding, and user evaluations. It also provides uniforms and branded toolkits to its workers and treats them as micro-entrepreneurs rather than interchangeable labour. This helped to enhance its brand value in the market building both consumer and employee loyalty. Urban Clap has now changed its name to Urban Company and is set for operations in the overseas market.

Conclusion and Recommendations

The gig economy has brought about notable shifts in the dynamics of the labour market and the composition of the workforce. Traditional job markets were industry- and location-based. The gig economy has created virtual marketplaces where people can provide their services globally, removing geographical constraints. The labour market has become more fluid and borderless, with opportunities for remote work and cross-border cooperation. The gig economy has created hybrid jobs that combine traditional and gig work. In the gig economy, people may choose when and how much they work, giving them more flexibility and work-life balance. It has also let people try out different businesses and projects that match their skills and interests. The gig economy also encourages entrepreneurship, letting people use their skills to increase their money income. It also helps use underutilized skills and resources, improving human capital allocation and workforce inclusion. The gig economy is attracting workers of all ages and backgrounds including retirees, students, and homemakers. The gig economy allows these people to use their skills, interests, and availability to find jobs, encouraging workplace diversity. However, despite these positive attributes, the gig economy raises substantial difficulties that must be addressed. First and foremost, the gig economy does not provide social security and benefits unlike formal traditional jobs which is a major issue. Gig workers rarely receive health insurance, retirement plans, paid vacation, or unemployment

benefits. Without social safety nets, gig workers are financially susceptible to illness, injury, and unexpected events. The gig economy generally leaves workers to secure their own insurance and savings. Pay is sporadic and unexpected with gig employment. Due to demand fluctuation, competition, and seasonality, the income of the gig workers also tend to vary. This makes their income unpredictable, which makes planning and budgeting difficult, putting them at financial risk. Gig workers may also have trouble getting credit, loans, or housing without a steady wage. Gig workers may not be entitled to minimum wage, overtime dues and are subject to unfair labour practice protection as independent contractors. The gig economy offers many career opportunities, but individuals may struggle to match their talents, certifications, and aspirations in the maze of platform economy. Thus, it is essential that the gig economy be integrated with the formal economy so that it comes under a regulatory framework. The study comes up with some recommendations so that the gig economy can act as a supplement to the formal job market and help to boost employment opportunities for India's vast pool of workers including women.

Firstly, the government must conduct national surveys to estimate the size of the gig workforce, their income, and contribution to the overall GDP of the country. At present, not much official data is available regarding the gig workers. Detailed information about the different platform-based models, their working procedure and their recruitment may serve to dispel many myths and ultimately lead to an increase in their profitability in the long run.

Next, the government must ensure minimum wages and proper social security benefits for the gig workers. These must incorporate insurance for accident, health etc. Infrastructural support must be provided to the gig workers specially the women like resting hub, drinking water facilities and hygienic restrooms.

Lastly, mandatory training must be organised for all gig workers to increase their productivity. Currently, the gig workers are mainly confined to the urban areas. If India needs to expand the horizon of the gig economy, it needs to be expanded to the rural areas. The government should focus on training on digital literacy and platform-specific training for the rural youth, especially rural women. The expansion of gig-based work in the rural areas can be instrumental to increase the female work participation for the overall economy.

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