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Swipe to Earn: India's Leap into the Platform Economy: A Study of the Structural Transformation of Employment in the Digital Era**Jith R¹, M. Dhanalakshmi^{2*}**¹Assistant Professor, LEAD College of Management (Autonomous), Dhoni, Kerala.²Associate Professor, LEAD College of Management (Autonomous), Dhoni, Kerala.

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Abstract

India's labour market is undergoing a paradigm shift as digital platforms redefine the nature of work. This paper presents a conceptual model of the Indian gig economy, exploring its structural underpinnings, stakeholder dynamics, and the evolving challenges that accompany algorithm-driven employment. At the core of this transformation lies a "click economy," where work is assigned, executed, and evaluated through digital interfaces with minimal human mediation. The model traces how mobile-first technologies, platform-based matchmaking, and flexible labour preferences have converged to create a fast-growing, yet precarious, form of employment for millions. While the gig economy offers autonomy and accessibility, it also exposes workers to instability, algorithmic control, and a lack of traditional safeguards. This study maps the interaction between key actors—platforms, workers, consumers, and policymakers—and analyses the policy vacuum surrounding employment classification, social security, and fair governance. Drawing on theoretical and empirical insights, the paper argues for a balanced regulatory approach that protects worker rights without stifling innovation. The conceptual model developed serves as a blueprint for future research and policy design aimed at building a more inclusive and sustainable gig economy in India.

Keywords: *Gig Economy, Platform Labour, Algorithmic Work, Digital Labour Markets, Employment Precarity, Policy Framework, Platform Governance, Labour Classification, Social Security.*

Introduction**India's Gig Economy Comes of Age**

India's employment landscape is experiencing a seismic shift. What was once considered a stopgap or side hustle—the gig economy—has matured into a primary

source of income for millions. This transformation isn't accidental. It's driven by an exciting blend of factors: the lightning pace of digital technology, a startup ecosystem buzzing with energy, and a youthful, mobile-first generation that thrives in a hyper-connected world.

Thanks to digital platforms, finding work is no longer bound to traditional office spaces or schedules. Today, someone can deliver groceries in the morning, design a logo in the afternoon, and tutor a student online by evening—all through their smartphone. This flexibility and independence have completely reshaped how people earn and perceive employment.

However, with this evolution comes a rethinking of what a “job” means. The long-standing idea of a stable salary, job permanence, and employer-provided benefits is being challenged. This chapter unpacks how India is navigating this bold new world of work. It delves into the key factors driving the growth of gig and platform-based employment, the distinct traits of this workforce, and the ripple effects on labour rights, job quality, and social protections.

Understanding the Gig Economy

The gig economy refers to a system where individuals take on short-term, task-based jobs—commonly called “gigs”—instead of working as permanent employees. These gigs are typically facilitated by digital platforms such as Uber, Zomato, Swiggy, Fiverr, or Upwork, which connect workers with customers seeking specific services.

At its core, the gig economy offers flexibility. Workers can log in when they choose, take up tasks that match their skills, and manage multiple gigs simultaneously. For students, homemakers, part-timers, or even professionals looking for extra income, this model is attractive and accessible.

But this convenience often comes with a compromise. Gig workers are generally considered independent contractors, not formal employees. This classification means they don't receive job perks like health insurance, paid time off, or retirement contributions. Their earnings also vary significantly, depending on demand, competition, and platform algorithms that dictate job visibility.

Legal scholar Valerio De Stefano (2016) highlights how gig work is shaped by algorithmic management, digital tracking, and rating systems. In essence, the boss isn't a person—it's the app. Everything from job assignments to pay incentives is governed by software, making human oversight minimal and workers more vulnerable to digital control.

In India, gig work covers a wide spectrum: food and grocery delivery, transportation, online tutoring, tech support, writing, design, repair services, and more. For many, it's a gateway to the labor market. But while the gig economy lowers

barriers to entry, it also raises concerns about income instability, lack of legal protections, and the absence of collective bargaining.

This growing sector offers a fresh approach to employment, but it also demands new thinking around labor laws, wage regulation, and inclusive growth. As the lines blur between formal and informal work, ensuring fair treatment for gig workers becomes a national imperative.

The Global Picture: Gig Work on the Rise

India is not alone in witnessing a gig boom. Across the globe, gig work is reshaping labor markets and reconfiguring how people earn a living. In the United States, for example, around 36% of workers are part of the gig economy, with estimates suggesting this could climb to nearly 50% by 2025. In the United Kingdom and parts of Europe, about 25–30% of the workforce participates in platform-based or freelance work.

China, too, has seen explosive growth in gig employment. With widespread smartphone usage, deep internet penetration, and a culture that embraces app-based services, platforms like Didi Chuxing, Meituan, and Alibaba have created massive gig opportunities in transportation, logistics, and digital services.

What drives this global trend? A combination of convenience for consumers, cost efficiency for businesses, and the desire for autonomy among workers. Flexible employment models allow companies to scale their workforce quickly without committing to long-term contracts, while workers enjoy the freedom to choose when and how much they work.

However, these benefits come with a growing set of challenges. In many countries, debates around worker classification, minimum wage protection, algorithmic fairness, and social security are heating up. As workers gripe hazardous conditions, governments are under pressure to update labour guidelines that were designed for a different era.

India stands at a similar crossroads. The country must find a balanced approach that encourages innovation and digital entrepreneurship while also protecting the rights and dignity of its workers. A thriving gig economy cannot come at the cost of worker exploitation.

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Several global trends are driving this growth:

- **Technology:** Platforms and mobile apps have made gig work more accessible and efficient.

- **Workforce Preferences:** Younger workers increasingly prioritize flexibility and control over rigid job structures.
- **Business Needs:** Companies save money and gain agility by hiring workers only when needed. But the gig boom comes with serious challenges:
- **Lack of Social Protection:** Most gig workers don't receive benefits like health coverage, sick leave, or retirement support.
- **Unclear Legal Status:** The debate over whether gig workers are employees or contractors affects their rights and protections.
- **Algorithmic Control:** Platforms use algorithms to assign tasks and set pay, raising concerns about fairness and transparency. According to the McKinsey Global Institute and other estimates, up to 30% of workers in developed economies now take part in some form of gig or independent work. By 2025, the global gig workforce could exceed 1.6 billion people—roughly 12% of the world's total labour force. These numbers reflect not only growing opportunity but also the urgent need to rethink how labour laws and protections fit this new way of working.

The Indian Gig Economy

Structure and Components India's gig economy is one of the fastest-growing segments of its labour market, fuelled by digital innovation, a booming startup scene, and shifting consumer habits. What started as a side hustle for many has now become a primary income source for millions. This ecosystem is shaped by several key players, each contributing to its structure and function. Gig Workers are at the centre, offering services on a flexible, on-demand basis. These include delivery agents, ride-hailing drivers, freelancers in IT, content, design, and more. Increasingly, gig work is not just a fallback option, but a full-time profession. Digital Platforms like Swiggy, Uber, Urban Company, and Upwork connect workers with customers. They use algorithms to manage supply and demand, assign jobs, and determine payments—essentially controlling much of the worker experience. Consumers drive the demand. With growing urbanization, higher disposable incomes, and a preference for convenience, more people are relying on platform-based services, making gig work a staple of daily life. The government acts as a regulator and facilitator. Initiatives like the e-Shram portal and new state laws in Rajasthan and Karnataka mark steps toward recognizing and protecting gig workers. National efforts are also underway to expand social security, skill training, and worker rights in this sector. Other Stakeholders include employer associations, which are slowly starting to engage with the gig economy, and worker organizations or unions that advocate for fair pay, benefits, and better conditions. Gig work in India falls into categories such as location-based services (like delivery and transport), online freelancing (design,

coding), and asset-sharing models (co-working, rentals). Workers span blue-collar roles, white-collar professionals, and creative freelancers. For the gig economy to grow responsibly, collaboration between platforms, policymakers, and worker groups is essential to address issues like job security, fair wages, and algorithmic fairness.

Evolution of the Gig Economy in India

The evolution of India's gig economy tells the story of a shifting labour landscape—from informal, loosely structured work to a growing, tech-enabled workforce that now plays a vital role in employment generation across the country. From Informal Labour to Platform Work. For decades, India's workforce was largely informal. Daily wage earners, construction laborers, domestic helpers, street vendors, and other casual workers made up the bulk of employment. These roles had gig-like traits—flexibility, task-based work, and lack of long-term contracts—but were unregulated, low-paying, and offered no social security. Even today, over 90% of India's labour force remains in the informal sector, but what's changing is how some of this work is now being absorbed into formal digital frameworks. The Tech Revolution and Startup Boom. The transformation began in earnest after 2010, fuelled by rapid digitalization, economic liberalization, and a booming startup culture. Affordable smartphones and low-cost internet access opened up new possibilities for workers and entrepreneurs alike. Platforms like Ola, Uber, Swiggy, Zomato, and Urban Company pioneered the shift by bringing informal services online—organizing them, digitizing payments, and creating systems for performance tracking and customer feedback. These platforms didn't just connect supply with demand—they redefined how work could be found, scheduled, and delivered. A young, urban, tech-savvy workforce embraced this model, drawn by the promise of flexibility, autonomy, and the ability to earn income without the constraints of traditional employment. The COVID-19 Turning Point dramatically accelerated the gig economy's growth. As lockdowns triggered massive job losses in the formal sector, millions of workers sought alternative sources of income. Gig platforms became critical infrastructure. Demand for food distribution, e-commerce logistics, online education, and freelance digital services surged. For many workers, gig jobs provided a safety net during uncertain times. This shift wasn't limited to big cities. Tier 2 and Tier 3 towns also saw a rise in platform-based work, expanding the gig economy's reach and making it a core part of the national employment fabric. Current Trends and Future Outlook The size of India's gig workforce grew from 8.7 million in 2021–22 to 9.9 million in 2022–23. Projections from NITI Aayog suggest that by 2029–30, this number could rise to 23.5 million. Several factors are driving this growth: expanding digital infrastructure, changing attitudes toward traditional jobs, and businesses seeking leaner, more flexible staffing models. However, rapid growth has brought new challenges. Gig workers often face income volatility, lack of job security, and limited access to benefits

like health insurance or paid leave. As gig work becomes more mainstream, these issues demand urgent attention from both policymakers and platform companies

The Role of Technology and Startups

India's gig revolution gained momentum after 2010, catalysed by the rapid spread of affordable smartphones and low-cost internet. Economic liberalization and rising investor interest led to the emergence of platforms like Ola, Swiggy, Zomato, Urban Company, and Big Basket, which used technology to transform how services were delivered and consumed.

These platforms created employment opportunities for millions and redefined work as something that could be accessed, executed, and evaluated through an app. A growing youth population, urban migration, and increasing digital literacy created the perfect environment for this model to thrive.

COVID-19: A Turning Point

The COVID-19 pandemic marked an essential moment in the evolution of the gig economy. As businesses shut down and traditional employment shrank, gig work became a lifeline for many displaced workers. Platforms adapted quickly, offering essential services like food and grocery delivery, telemedicine, online education, and freelance content creation.

This surge wasn't limited to metro cities. Tier 2 and Tier 3 cities also saw a significant rise in gig platform participation. What had previously been considered a stopgap or urban convenience transformed into a core economic activity, bridging employment gaps in uncertain times.

Current Trends and the Road Ahead

India's gig workforce increased from 8.7 million in 2021–22 to 9.9 million in 2022–23, according to estimates. Projections from NITI Aayog suggest that by 2029–30, the number could exceed 23.5 million, representing a substantial portion of India's non-farm employment.

Several forces are fuelling this growth:

- Widespread digital access
- Changing workforce expectations
- The drive toward business flexibility and cost-efficiency

However, rapid expansion brings structural challenges. Gig workers often face erratic income, lack of legal safeguards, and exclusion from basic benefits. These vulnerabilities, if left unaddressed, could undermine the long-term viability of this sector. To secure a future where gig work is both productive and protective, India must strike a balance, foster innovation and entrepreneurship while ensuring fair treatment, equitable compensation, and social inclusion for its workers.

Literature Review

The rise of the gig economy in India has attracted growing attention from academics, policy analysts, and labour rights organizations. Scholars have sought to unpack the foundations of this new labour model, explore its socio-economic impact, assess sector-specific challenges, and evaluate emerging legal and policy responses. This literature review brings together the key debates, frameworks, and findings that define current knowledge on gig work in the Indian context, while also reflecting on broader global influences.

Theoretical Foundations

The academic framing of gig work often begins with the economic and ideological shifts that gave rise to flexible, non-traditional labour models. Friedman (2014) critiques the gig economy as an outcome of neoliberal labour market transformations, wherein deregulation and flexibility are championed at the expense of job security and collective bargaining. He posits that gig work is not just a consequence of technological innovation but a manifestation of structural changes that erode stable employment, replacing it with contract-based labour that primarily benefits corporations seeking to minimize labour costs.

Building on this analysis, De Stefano (2016) introduced the concept of "platform work," focusing on how digital intermediaries—such as Uber, Zomato, or Upwork—alter traditional employer-employee relationships. Unlike conventional firms, these platforms often deny employer status while exerting significant control through algorithms, ratings, and contractual terms. De Stefano argues that the power imbalance between platforms and workers leads to new forms of dependency, undermining autonomy and challenging established labour rights. His work highlights the ambiguity of classification in platform-based employment, where workers are often labelled as "independent" despite being subject to heavy surveillance and performance metrics.

Together, these theoretical approaches frame the gig economy as a product of both digital disruption and broader capitalist restructuring, raising fundamental questions about labor rights, equity, and the future of work.

Empirical Studies in the Indian Context

Empirical studies of India's gig economy provide a grounded understanding of how theoretical concerns play out in practice. A notable early contribution comes from Rani and Furrer (2019), who conducted field research on Uber drivers in Indian cities. Their findings highlight the contradictions of gig work: while flexibility and entrepreneurial promise attract many workers, the reality is often marked by low and inconsistent incomes, long working hours, and dependence on opaque algorithmic

management systems. Importantly, drivers reported a lack of bargaining power, limited access to grievance mechanisms, and an absence of basic social protection.

Mehta and Sapra (2021) extended this analysis across multiple platforms, identifying similar patterns among freelance professionals, delivery personnel, and domestic service providers. Their research found that most gig workers operate outside the scope of labour laws and are denied health insurance, paid leave, or formal dispute resolution avenues. Many workers enter the gig economy out of necessity rather than choice, often facing economic insecurity despite putting in full-time effort.

A macro-level perspective is offered by FICCI (2022), which estimates that India's gig workforce could reach over 23 million by 2030. While the report celebrates gig work as an employment generator—especially during economic downturns—it also acknowledges the urgent need for policy frameworks that can ensure worker security. The report emphasizes that while digital platforms may provide livelihoods, they also introduce volatility and unpredictability that must be addressed through regulation.

Sector-Specific Research

In addition to general studies, scholars have conducted deep dives into specific segments of the gig economy to better understand the unique risks faced by different categories of workers.

Sharma and Dey (2020) examined ride-hailing services, focusing on the earning patterns of drivers associated with Ola and Uber. While some drivers reported high earnings during peak demand periods, most faced earnings volatility that made financial planning difficult. Drivers frequently exceeded 10-hour workdays to meet incentive targets, with little assurance of consistent demand. This pressure undermined both the physical well-being and financial stability of workers, calling into question the long-term sustainability of such roles.

Gandhi and Patel (2022) analysed the experiences of food delivery workers in urban centres. Their study highlighted a range of physical and psychological hazards, ranging from exposure to extreme weather and traffic accidents to verbal abuse and threats from customers. Workers expressed frustration at being penalized through rating systems for issues beyond their control, such as late deliveries due to traffic congestion. Most concerning was the absence of accessible redressal systems. Many reported feelings voiceless and expendable, underscoring the lack of institutional support in the gig ecosystem.

Such sector-specific studies illustrate that while gig work spans a broad spectrum of industries, it often shares common threads: high physical risk, emotional stress, low institutional protection, and algorithm-driven supervision.

Policy and Legal Frameworks

The increasing prevalence of gig work in India has sparked critical discussions around legal classification, worker protection, and institutional responsibility. Among the most prominent contributions is the NITI Aayog (2022) report, which proposes a roadmap for integrating gig workers into formal social welfare systems. The report advocates for comprehensive policy support, including accident and health insurance, access to credit, pension schemes, and digital literacy programs. It also recommends the creation of national worker registries and skill certification programs to improve transparency and mobility within the sector.

At the international level, the International Labour Organization (ILO, 2021) has called for the universal extension of labour rights to all workers, including those in non-standard employment. The ILO emphasizes that the classification of workers—whether as employees or independent contractors—should not be used to deny them basic protections. Its recommendations to national governments include updating legal definitions of work, strengthening collective bargaining rights, and enforcing minimum wage laws within the platform economy.

Domestically, the Indian government has made some strides. The e-Shram portal, launched by the Ministry of Labour and Employment, aims to register unorganized and gig workers for access to welfare schemes. At the state level, Rajasthan and Karnataka have introduced laws to establish welfare boards for gig workers, offering accidental insurance and maternity benefits. However, implementation remains inconsistent, and many gig workers remain unaware or unable to access these services due to bureaucratic hurdles, digital exclusion, or lack of documentation.

Synthesis and Key Themes

A synthesis of the literature reveals several persistent themes and structural challenges. First, the lack of social security emerges as a central issue. Most gig workers are excluded from state-backed insurance, pensions, and other safety nets, leaving them highly vulnerable during crises such as illness, accidents, or economic downturns.

Second, there is widespread ambiguity in worker classification. Platforms routinely label workers as "partners" or "freelancers," absolving themselves of employer responsibilities. This classification prevents workers from accessing legal rights, organizing collectively, or challenging exploitative conditions.

Third, the algorithmic control exercised by platforms shapes nearly every aspect of gig work, from job allocation to payment schemes and worker evaluation. These systems often operate without transparency and with limited accountability, leaving workers powerless to contest decisions.

Fourth, the literature consistently highlights health and safety risks, particularly in the transportation and delivery sectors. Workers face long hours, hazardous conditions, and emotional strain, often without any institutional recourse or protective infrastructure.

Despite these encounters, the gig economy also presents notable openings. It offers employment pathways for youth, women, migrants, and others excluded from formal labour markets. It provides flexibility, autonomy, and a chance to earn an income without traditional credentials or work experience. However, without meaningful policy intervention and platform accountability, these advantages are undercut by precarity.

India's gig economy has grown from a marginal phenomenon into a major pillar of its labour market. This transformation reflects broader changes in technology, employment structures, and economic ideology. The literature makes clear that while gig work creates opportunities, it also generates significant risks—both at the individual and systemic levels.

To build a fair and inclusive gig ecosystem, India must go beyond fragmented welfare schemes and develop a comprehensive policy framework grounded in worker rights, transparency, and shared accountability. Legal recognition, enforceable standards, and mechanisms for redress are essential. Equally important is platform responsibility: digital intermediaries must play a proactive role in ensuring safe, equitable, and sustainable working conditions.

Ultimately, the success of India's gig economy should not be measured solely by scale or efficiency, but by its ability to empower workers, respect their dignity, and contribute meaningfully to long-term economic resilience.

Recommendations

To unlock the full potential of the gig economy while protecting worker rights and promoting equity, a set of forward-looking interventions is necessary:

- **Portable Benefits**

Introduce social security systems that are not tied to a single employer or platform. Gig workers should be able to retain their health insurance, retirement accounts, and other benefits across multiple jobs and platforms.

- **Minimum Income Guarantees and Grievance Redressal**

Set baseline wage standards for different categories of gig work and ensure that all platforms provide transparent and accessible mechanisms for resolving disputes, addressing unfair dismissals, and contesting algorithmic decisions.

- **Labour Code Reforms**

Update existing labour laws to explicitly include gig and platform work. Clear legal definitions and coverage are essential to eliminate loopholes and establish accountability.

- **Digital Literacy and Upskilling**

Invest in widespread digital training and upskilling programs to help gig workers stay competitive as technologies and service demands evolve. This also opens pathways for workers to move into higher-value tasks and better-paying gigs.

- **Support for Worker Unions and Collectives**

Encourage the formation of gig worker associations, unions, and collectives. These organizations can play a crucial role in negotiating better working conditions, amplifying worker voices, and influencing platform governance and policy design.

By implementing these measures, India can ensure that its gig economy continues to be a driver of innovation and growth, without compromising on fairness, dignity, or inclusion.

Conclusion

India's gig economy is undergoing a profound transformation. The rise of digital platforms has fundamentally altered how work is discovered, distributed, and delivered, creating new livelihood opportunities for millions of workers across urban and semi-urban areas. Gig work offers flexibility, autonomy, and entrepreneurial freedom, particularly appealing to a young population navigating a highly competitive and evolving job market.

However, this progress comes with significant caveats. Gig workers often operate outside the protections of traditional labour laws. They face inconsistent income, limited access to health and safety nets, and little to no formal representation. While the government's recognition of gig work through policy measures such as the Code on Social Security 2020 and the e-Shram portal is encouraging, the pace and scope of implementation remain limited.

As India advances further into the digital economy, it faces a critical crossroads. The country must ensure that the innovation-fuelled platform-based employment does not widen existing inequalities. Rather, it should be harnessed to build a more inclusive and resilient workforce.

The future of gig work in India hinges on balancing economic efficiency with social equity. By adopting a proactive approach—grounded in thoughtful regulation, inclusive policy design, and investment in human capital—India can shape a gig economy that is not only dynamic and competitive but also just and sustainable.

Ultimately, the success of India's gig economy will be measured not just by the number of jobs created but by the quality of those jobs and the extent to which they empower workers, protect their rights, and contribute to long-term economic stability.

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