

INDIA'S BOOMING GIG ECONOMY

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Abstract

India is a developing country. Due to use of technology and smart phones the concept of Gig workers is also increase in country, there is no concept of Gig worker in western countries. Gig Economy is a new concept for person those do the work with digital platforms or online software apps. There are many reasons for the birth of any new concept and they are not visible but they play important role in generating that concept. Unemployment & use of technology are the main reasons among these reasons for generating the concept of Gig. Technology based Gig workers have grown rapidly in present time, whose important contribution in country's economy. In this field participation of not only men but also women is increasing in this field and the possibility of increasing are more visible in coming of future. Current development in innovative technological trends has expanded and changed the way of business operates. Therefore, these advancements need to discover a way for people to modify the impact of various modernizations in their lives. Currently, the fast growth of the Gig Economy and the progress of such work relations have led to systematic research. The Gig is a recent trend with a number of factors contributing to its rise. It is at a nascent stage in India. This study tries to figure out the current concern about the emergence of the Gig Economy. It is necessary to take action in these precarious employment arrangements in order to safeguard the employees and modify the employment laws to reflect contemporary corporate procedures. The bulk of workers in developing nations like India, where unemployment is a huge issue, rely on the Gig economy to support them. Even though this organizational structure for jobs helps a country to reduce its unemployment rate, it is equally necessary to consider the workers' perspective on this structure. The Gig economy has emerged which is challenging the conventional labor market (Veluchamy et al., 2021). **Key Words:** - Gig workers, Gig Economy, Employment, Technology, Unemployment, Modernization, Growth, Labour Law & GDP, and Sustainable Development etc.

Introduction

The prospects of regular employment are decreasing, in such a situation a person is coming to this Gig field to run his livelihood. Every time peoples & youth wants employment for to run his life but the present situation of unemployment is very dangerous. As per situation challenging to create jobs for youth, there is immense employment potential in Gig workers. The term Gig refers to a task, an alternative work, and a short-term arrangement of work. The Gig Economy works as a bridge between unemployment and permanent jobs. Under this economy, work is done by digital platforms. It is often known as the open-talent economy, platform economy, sharing economy, and collaborative economy. Gig Economy as a work environment, where organizations or businesses hire temporary workers or freelancers instead of full-time long-term employment. The term Gig refers to a task, an alternative work, and a short-term arrangement of work. The Gig Economy works as a bridge between unemployment and permanent jobs. Under this economy, work is done by digital platforms. It is often known as the open-talent economy, platform economy, sharing economy, and collaborative economy. The prospects of regular employment are decreasing, in such a situation a person is coming to this Gig field to run his livelihood. Every time peoples & youth wants employment for to run his life but the present situation of unemployment is very dangerous. Every person want employment for his when it remains challenging to create jobs for youth, there is immense employment potential in Gig workers. This has made the gig economy widely an **urban phenomenon**. Gig Workers do not **get benefit from labour regulations pertaining to wages, hours, working conditions**, and the right to collective bargaining. Workers engaged in employment with the digital platforms, particularly, also **women workers in the app-based taxi and delivery sectors face various occupational safety, security and health risks** Due to technological advancement, increasing demand for flexible work, and unemployment, there has been a drastic

change in the job structure all over the world. The Gig economy has emerged which is challenging the conventional labor market (Veluchamy et al., 2021). However, the report issued by NITI Aayog said that **The Gig Economy employed 77 lakh (7.7 million) employees in 2020–21**. They made up 1.5 percent of India’s total labour force or 2.6 percent of the non-agricultural workforce and **by 2029–2030**, there will be 2.35 crore (23.5 million) workers in the gig economy. Under the Gig Economy, do their work through the digital marketplaces. India’s gig economy is at a promising stage, ASSOCHAM expects the gig sector to surpass \$455 billion by 2024 in India. There are numerous benefits associated with this economy, both from the employer and workforce perspective. Flexibility and more career choices are the main factors that attract youngsters to enter under gig work and there is no need to big staffing space, training programs, etc.

There are some problems associated with it also which include uncertainty, workers who are resistant to corporate culture, workers' compensation and protection, erratic working hours, and a lack of social interaction are some of the issues it is associated with. The developing forces driving the gig economy, as well as its potential and difficulties in the context of India.

❖ History of Gig Economy

According to Human Resource experts, the word “Gig” was first used by Jazz musicians who meant Job, in 1915. The first temporary agency was opened in the year 1940, which provided the jobs to typists and other clerically trained staff on a temporary basis. Gig economy started to take off in the late 80s and early 90s along with the digital era or environment. During the 1990s, 10% of the US workforce was employed as contractors, temporary and on-call workers, as the demand for more flexible work patterns and non-permanent staff intensified. In the year 1995 Craigslist was introduced, which provided local San Francisco-based online classifieds different jobs, items wanted and for sale, gigs, resumes, housing, services, and more. This was followed by the launch of up work in 1999, which allowed freelancers to use the internet to find out new projects and clients. Gig economy gained significance around year 2008 when the Great Recession hit due to which people had less secure and limited location-based work, and found them unable to find stable work.



❖ Gig Workers

A person who performs work or **participates in work arrangements and earns from such activities outside of traditional employer-employee relationship.**

They are independent contractors, contract firm workers, online platform workers temporary workers and on-call workers.

❖ **Gig Economy**

Cambridge dictionary defines Gig Economy as “a way of working that is based on people having temporary jobs or doing separate pieces of work, each paid separately, rather than working for an employer.” **Gigs**’ are piece of work or tasks done for different clients over a stipulated period.

According to NITI Aayog:
“The Gig Economy in itself is expansive and undefined and can include a variety of workers outside of a traditional worker definition. However, Platform Economy is more concretized as it specifically focuses on the use of online platforms, making each worker’s role clearly defined”. They can be broadly classified into **Platform worker** and **Non-Platform worker**.
***Platform workers** are those whose work is based on online software apps or digital platforms
***Non-platform gig workers** are generally casual wage and own-account workers in conventional sectors, engaged part-time or full-time.

❖ **Literature Review**

➤ **Laws for the gig workers in India**

According to the Code on Wages, 2019, a universal minimum wage and floor wage should be provided to all organised and unorganised sectors, including gig workers.

Whereas under the Code on Social Security, 2020, the gig workers are provided with recognition as a new occupational category. But, a few problems are associated with the code as even though the gig workers are now eligible for benefits like maternity benefits, life and disability cover, old age protection, provident fund, employment injury benefits, etc. However, eligibility does not ensure the guarantee of mentioned benefits to workers.

A literature review is an evaluative report of information found in the literature related to selected area of study. The main purpose of literature review is to convey to the reader about the work already done and the knowledge or ideas that have been already established on a particular topic of research.

➤ **Code on Social Security, 2020-**

The enactment of the Code on Social Security, 2020 has made understanding of the scope and ambit of social security laws easier by consolidating the pre existing laws. The Code also defined the various terms like gig workers and platform workers which were not previously defined. The Code will help in increasing employment opportunities by engaging workers on temporary basis and also providing them with the social security.

➤ **India’s Booming Gig and Platform Economy, NITI Aayog, (2022)**

The report offers a comprehensive methodical approach to estimate the current size of Gig Economy and its potential for employment creation. It examines the benefits and challenges of Gig and Platform Economy and also shows international best practices for social security programmes. The objective of study to understand the significance, employment generation and suggest measures to Encourage employment in the sector.

- **(Chaudhary, 2021)** explained the women’s enhancing participation and opportunities for work in the gig economy. The author has found that the participation of women in labour force participation rate [LFPR] is very low and there is a large gap that exists in India which is all-time low.
- **(Pal, 2021)** raised an issue of the raising popularity of the gig economy, and its advantages and disadvantages in both the global and Indian contexts. In the study, the author discussed the recent initiative taken by Central Government of India.
- **(Mukherjee & Sujatha, 2020)** Study has examined the process of construction of professional identity over organizational identity by independent workers and understand the impact of learning agility on professional identity while engaging in the Gig Economy.
- **(Rukhsar, 2019)** The study analyzed the employee’s awareness and perception towards Gig system. The authors also looked at the problems faced and some potential solutions. They have found that the Gig system doesn’t restrict the talent by setting any kind of limitations and the system also allows having a better network in and out of the organization.

- **(Banwari, 2018)** examined the trend of Gig Economy which is promptly increasing in every sector in the country with the fast-growing Gig Economy which is based on technological platforms. The author has found that this economy has potential benefits and challenges that may convert into opportunities with the collaboration of government and educational institutes.
- **(Caza, 2020)** The study focused on the prevalence of gig work which is also being implemented in management education with all aspects of organizing and highlighted three broad areas for future investigation that is- how the gig economy may influence students, faculties and universities also.
- **(Sargeant, 2017)** has brought insight into the advancement of the Gig Economy and the improvement of labour market due to expansion in contingent work. The study analyzed the size and status of the Gig Economy and also analyzed the issues raised by lawsuits [litigation] in relation to the employment status of workers employed in the developing Gig Economy.
- **(Dokko et al., 2015)** made an attempt to identify the opportunities and challenges of non-traditional and contingent employment relationships under the development of the Gig Economy in the United States (U.S.).

❖ **Identification of Research Gap**

After a critical review it is found that there are some researches has been done in the form of research papers, articles, and dissertations on the topic of Gig Economy. But there is need to conduct a systematic study on the emerging trend of the umbrella term 'Gig or Platform Economy'. As per studying above reviews, it has been found that the in India, detail study about the Gig workers, workforce & Economy has not be done while the concept of Gig economy is an important part of economy and his impact on the overall economy of country, If possible it can be studied well & wisely.

❖ **Objectives of the study**

To study about the Gig Work Force in India.
To know the types of job opportunities in Gig platforms.
To study about the contribution of Gig Economy in GDP of country.
To analysis the challenges of Gig Workers.

❖ **Research Methodology**

❖ As per study, basically used the different type of sources and overall the study based on the secondary sources of data like- newspapers, report, Goggle sites, Research Gate, SSRN etc.

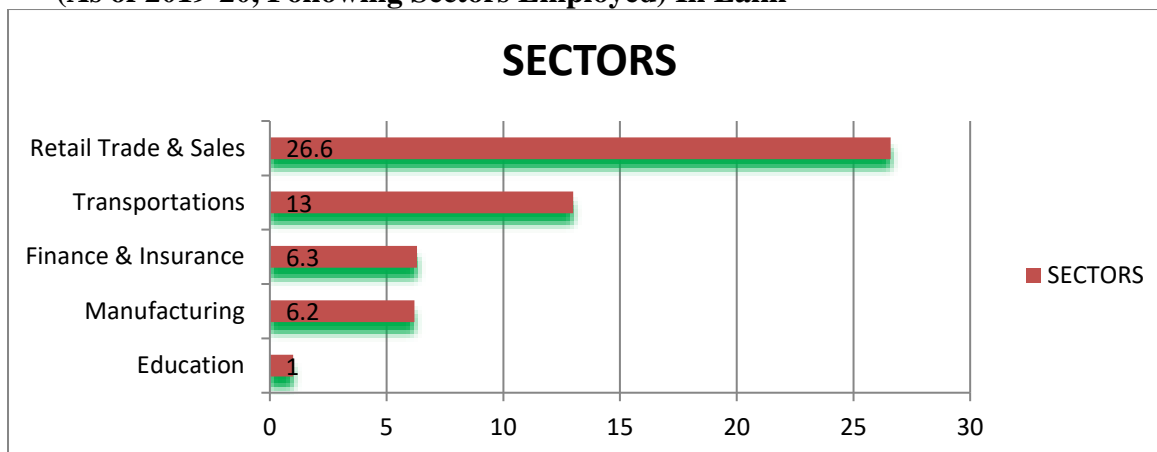
Potential of India's Gig Sector

- An estimated **56% of new employment in India is being generated by the gig economy** companies across both the blue-collar and white-collar workforce.
- While the gig economy is prevalent among blue-collar jobs in India, the demand for gig workers in white-collar jobs such as project-specific consultants, salespeople, web designers, content writers and software developers are also emerging.
- The gig economy **can serve up to 90 million jobs in the non-farm sectors in India** with a **potential to add 1.25% to the GDP over the "long term"**.
- As India moves towards its stated goal of becoming a **USD 5 trillion economy by 2025**, the gig economy will be a major building block in bridging the income and unemployment gap.

❖ Data Collection & Analysis

Gig Work Force in India

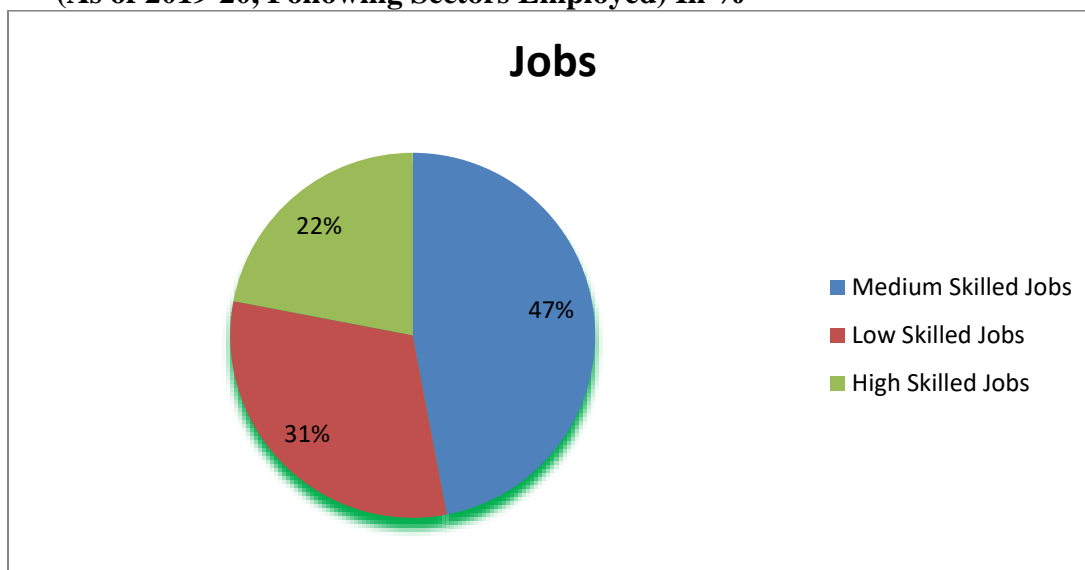
(As of 2019-20, Following Sectors Employed) In Lakh



Source: NITI Aayog

❖ Gig Work Force Jobs in India

(As of 2019-20, Following Sectors Employed) In %



Source: NITI Aayog

❖ Benefits of the gig economy

According to a report by Boston Consulting Group, **India's gig workforce comprises 15 million workers** employed across industries such as software, shared services and professional services in Gig platform. According to a 2019 report by the India Staffing Federation, **India is the 5th largest country in flexi-staffing globally, after the US, China, Brazil and Japan.**

- The gig economy has various driving factors including work flexibility and the choice to work remotely from anywhere in the world. Further, the gig workers work on the fixed-fee (while doing a contract) model, time & effort model etc. and start-up culture has also promoted the idea of freelancing and contractual work.
- The labour contract is usually shorter and more specific to the task or job assigned, and the nature of payment against the work is more of a piece rate, negotiable and flexible time with a choice on when and where to work.
- (NASSC) National Association of Software Services Companies said the Covid-19 pandemic has caused shifts in work, workplace, workforce, and work culture that have also invariably established the next normal in the future of work. Favourable government policies to support

India's knowledge economy will further accelerate gig models leading to availability of a wider talent pool and job creation,"

Contribution of Gig Economy in India's GDP

A joint report by the Boston Consulting Group and Michael & Susan Dell Foundation stated that the gig economy can service up to 90 million jobs in India's non-farm economy alone. This translates to over \$250 billion in the volume of work and may contribute an incremental 1.25% to India's GDP. Due to technological advancement, increasing demand for flexible work, and unemployment, there has been a drastic change in the job structure all over the world. The Central government has decided to train state and centre officials on emerging forms of employment, technological change, rights, labour protection, policies social security and global practices relating to gig and platform workers. The gig workers are not guaranteed for social security rights and often cause distress among this emerging form of employees.

An ASSOCHAM report reveals that the gig sector has the potential to grow to the US \$455 billion at a Compound Annual Growth Rate (CAGR) of 17% by year 2024. The Indian gig economy has the potential to add 1.25% to the Indian Gross Domestic Product (GDP) and provide over 90 million jobs in the non-farm sectors of India.

According to the Economic Survey 2020-21, "the changing nature of work with the change in technology, the innovation in organisation structures, evolution of new economic activities, and evolving business models have grown the potential of the gig economy."

The survey also stated that digital platforms played a significant role in discovering job seekers and job providers in the absence of middlemen with Gig sector.

Challenges of Gig Economy

On this condition 'Start-up India initiative', accelerating platformization, social financial inclusion and, skill development can provide a framework to balance the flexibility offered social security of workers. Gig economy, with the wide variety of employment options it offers, to all those who are willing to **engage in such employment, access to internet services and digital technology** can be a restrictive factor.

According to **International Labour Organization (ILO)** surveys, workers with higher educational achievements are not necessarily finding work commensurate with their as per skills. Digitalization Era, Gig workers are the stronger pillars in our economy. We need to bridge the gap between soliciting comments and actual implementation of working situations.

Economic growth of country, war and pandemics causing supply-side glitch, the fear of unemployment will also increase. Women workers are gaining, and the gig economy is resulting in social gender income equality. Most of the workers working in the food delivery works/ business in South East Asia are women workers. Women comprise more than a third of 15,000 users of the digital platform Souktel in the West Bank and Gaza region, but only 19% of the entire labour force in the same area. There are no barriers based on caste, religion, gender, and location.

The gig economy holds serious challenges in upholding labour rights for workers. Gig workers are not covered under standard employee contracts. There is no scope of compassion for the workers should they fail to perform the job due to something such as falling sick or a broader downturn in the economy decreasing business. The absence of social security makes things worse for the gig workers. Those who consider gigs as their full-time job are not even employees of the company, so they do not receive any other benefits provided to employees, like, paid time off, health insurance family leave protection, etc.

The major potential problem is that gig workers are not legal definition of employees. Every State has its own definition, but it mainly depends upon the degree of control that the company has over the worker.

Also, the big companies such as Facebook, Netflix Google, etc. have no social obligation and safety and continue to pour money for growth of their respective company, with the objective to please their shareholders. Individual governments can clamp down on tax evasion by making it

mandatory, and use the money raised, to invest in public services to counter growing income inequality.

❖ **Suggestions & Conclusions**

Government can play a significant role in reaping the benefits of Gig economy. It must remove barriers for regulating the market. Organizations should be given freedom to hire contractual workers. At the same time, it is role of government to safeguard interests of contractual and independent workers. Gig Workers and contractual workers must be given protection through minimum wages, maternity benefits and other welfare provisions just like regular workers. For the same, appropriate labour laws must be formulated.

After the COVID-19 the trend of the online-contractual work has raised, people and organizations both are comfortable for working on the digital platforms. The size of Gig and Platform Economy rapidly growing and along with this trend there is a vital need of systematic regulation. In India there is no regulatory framework for the gig platforms and digital marketplaces, so changing the current labour laws & provide the social benefits for gig workers like health safety, insurance facilities, maternity leaves, job security, mental peace, other financial provisions, etc. this kind of economy so the rights of the labour will be protected by the government and also businesses should be protected. Gig economy will help the to understand the difficulties faced by labour working class to work under gig economy and how it will help the Indian economy to grow faster with gig worker, what will be the contribution of the gig economy to the development of Indian economy. by the concept of gig economy individual can earn through contract base jobs, they can do different types of job at a time and earn more income. We can say that this research report will contribute to understand the significant role of gig economy in future. This study will also describe that how the gig economy will grow and what will be the future and challenges that the gig economy has to face in India.

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