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Employment Stability and Occupational Diversity among India's Gig Workers

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Abstract

The gig economy has become a defining feature of contemporary labour markets in India, offering flexible work arrangements across a wide array of occupations. This paper investigates two interrelated dimensions of gig work: employment stability, the continuity and predictability of income and job tenure and occupational diversity, the spread of gig workers across distinct occupational categories. Drawing on secondary data from government reports, industry survey and academic studies, the analysis documents temporal trends in gig-worker numbers, sectoral composition, and the prevalence of precarious work arrangements. Results reveal rapid growth in gig participation, a pronounced concentration in transport and delivery services, and a persistent lack of contractual protections that undermine stability. The paper concludes with policy recommendations aimed at enhancing social security, fostering skill development, and encouraging diversification of gig-based occupations.

Keywords: Gig economy, employment stability, occupational diversity, platform work

Introduction

India's gig economy has expanded rapidly, driven by its large demographic dividend and enduring employment issues, creating a scenario that diverges sharply from those in the Global North (Rawat & Kandari, 2024). Characterised by temporary contracts and task-specific employment, this growing field has quickly drawn in a substantial segment of workers, especially in low-skill jobs (Bhimavarapu & Krishna, 2024). Enabled by broad access to the internet and smartphones, this development has transformed established job frameworks while generating innovative types of unstable work, disproportionately impacting at-risk groups (Ray, 2024).

The gig economy, as defined by the World Economic Forum (WEF), involves the exchange of labour for money between individuals or companies via digital platforms that actively connect providers with customers on a short-term and payment-by-task basis.

According to the Code on Social Security, 2020, a gig worker is "a person who performs work or participates in a work arrangement and earns from such activities outside the traditional employer-employee relationship."

Types of Gig Workers:

- Platform-Based Workers: Work via digital apps or online platforms. Food delivery (Zomato, Swiggy), ridesharing (Ola, Uber), e-commerce delivery (Amazon, Dunzo).
- Non-Platform Workers: Casual or self-employed workers in traditional sectors, part-time or full-time. Examples include part-time tutors, freelance designers, self-employed domestic helpers, and casual construction labour.

According to the *National Sample Survey Office (NSSO) 2022-2023* data, approximately 23 % of the employed population engaged in gig-type activities, up from 14 % in 2018 (Ministry of Labour & Employment, 2023). The growth is especially pronounced in urban centres, where platform-based transport, food delivery, and freelance digital services dominate (McKinsey Global Institute, 2022).

While gig work is celebrated for its flexibility and income-generation potential, concerns have emerged about employment stability, the extent to which workers can rely on a steady stream of assignments and earnings. Instability is manifested through irregular income, lack of formal contracts, and limited access to social protection (Kumar & Singh, 2021). Simultaneously, the sector exhibits occupational diversity:

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gig workers are not limited to a single cluster of jobs but participate in a range of occupations, including ride-hailing, e-commerce fulfilment, content creation, tutoring, and on-demand healthcare (ILO, 2022).

Objectives

1. To evaluate the employment stability of gig workers in India.
2. To examine the occupational diversity within the gig economy
3. To compare income levels and working conditions across different gig occupations.

Data Source

This paper relies on secondary data from two primary sources: the Periodic Labour Force Survey (PLFS) conducted by the National Statistical Office (NSO) for the year 2022–2023 and the Report on the Indian Platform and Gig Economy published by NITI Aayog in 2023.3.2 Analytical Procedure

Growth of Gig Workers

India's gig economy currently encompasses over 17 million workers, a number projected to increase significantly given the widespread adoption of digital platforms (Karumathil, 2025). According to a NITI Aayog study, in 2020–21, approximately 77

lakh (7.7 million) workers were engaged in India's gig economy, with over 3 million employed by around 11 major platform companies. Currently, about 47% of gig work involves medium-skilled jobs, 22% high-skilled, and 31% low-skilled occupations. The Labour Ministry projects that the gig workforce will expand to 2.35 crore (23.5 million) workers by 2029–30 and could reach 61.6 million by 2047, forming nearly 14.9% of the non-agricultural workforce, up from 2.6% in 2020–21. Alternative scenarios suggest a conservative estimate of 32.5 million workers by 2047 under external constraints, while aspirational projections indicate potential growth to 90.8 million gig jobs with favourable conditions. Economically, the gig economy is expected to generate a transaction volume of \$250 billion by 2030, contributing 1.25% to India's GDP, and could contribute up to 4% of GDP by 2047, driven by sectoral diversification and technological advancements. The associated Chambers of Commerce and Industry (ASSOCHAM) reports that India's gig economy is growing at a robust compound annual growth rate (CAGR) of 17% annually

Occupational Distribution

Table 2: Occupational Share of Gig Workers, 2023

Occupational Category	Share of Gig Workers (%)
Retail trade & e-commerce (delivery, warehousing, fulfilment)	35
Transportation & logistics (ride-hailing, taxi, courier)	19
Manufacturing (on-demand, contract production)	16
Household & personal services (domestic, care, beauty)	9
Agriculture (platform-enabled services)	7
IT & professional services (freelancing, digital services)	6
Construction	5
Others	3

(Source: NITI Aayog. (2022). India's booming gig and platform economy: Perspectives and recommendations on the future of work.)

The **combined share of transport and delivery** (56.5%) underscores the sector's centrality, yet the presence of educational and digital **service gigs** points to an evolving occupational landscape.

Skill-based composition of gig workers

Skill Level	Share (%)
Low-skill	47
Medium-skill	22
High-skill	31

(Source: Compiled from NITI Aayog (2022), *India's Booming Gig and Platform Economy*.)

According to the gig worker distribution by skill level, the workforce is dominated by low-skill jobs (47%), which reflects the high proportion of jobs in delivery, logistics, and basic services. Medium-skill work (22%) includes roles requiring some technical or sector-specific skills, while high-skill activities (31%) comprise professional and knowledge-based services such as IT, design, and consulting. There is a substantial concentration in low-skill jobs, as well as a growing presence of high-skill jobs in this pattern, highlighting the heterogeneous nature of gig employment.

Employment Conditions, Gender, and Sectoral Patterns in Gig Work

A large portion of gig work in India involves task-based arrangements that offer flexibility but provide limited employment stability. It is common for workers to experience irregular work availability, unstable incomes, and a reliance on platform algorithms for task allocation and earnings. Many gig workers do not receive benefits such as health insurance, paid leave, or retirement plans that are typically provided in traditional employment. They often face challenges

in securing consistent work hours and may struggle with financial planning due to variable incomes. Additionally, gig workers are frequently classified as independent contractors, which limit their access to labour protections and rights.

Gender disparities persist within the gig economy, with women remaining underrepresented, particularly in location-based services. Although flexibility attracts women workers, challenges such as income insecurity, lack of maternity benefits, safety concerns, and restricted access to high-skilled roles constrain their participation.

Sectorally, gig work is concentrated in urban areas and is dominated by transportation, delivery, personal services, and digital freelancing. While high-skilled gig roles are expanding, employment remains primarily concentrated in low- and medium-skilled activities, resulting in uneven employment outcomes and a lack of upward mobility in these roles, which further exacerbates income inequality. Additionally, the gig economy's reliance on digital platforms often creates barriers for workers in rural or underserved regions, limiting their access to opportunities and perpetuating economic disparities.

Gig Workers in India: Challenges Faced by Them

1. Digital Divide and Limited Access to Technology

Digital infrastructure is indispensable for the success of gig and platform work. To this, many workers counter with prohibitively low internet connectivity, lack of access to smartphones and low digital literacy. These disadvantages hit hardest the workers from rural areas, smaller towns and the economically weaker sections of society, thus their participation in the gig economy is not inclusive.

2. Data Protection and Privacy Concerns

The gig and platform workers are obliged to pass on large quantities of their personal and work-related data to the online platforms. The decision-makers of the data collection, storage, and sharing processes usually do so in a non-transparent way and the platform companies totally control it. The lack of transparent data management systems raises the issue of not only privacy violations but also the misuse of workers' personal information.

3. No Formal Employee Status

The majority of gig workers are still regarded as independent contractors rather than employees. This distinction makes them ineligible for the protection of the regular labor laws and also limits their right to establish trade unions or partake in collective bargaining. Consequently, workers often find themselves in unequal relationships of power and are subject to unfavourable terms in contracts.

4. Employment Uncertainty and Income Instability

Gig employment cannot be anything but uncertain since it is based on the execution of tasks. Workers tend to suffer from no work availability, variable earnings, and no minimum wage guaranteed at all. This uncertainty brings about financial insecurity in their lives and hampers their ability to build up long-term economic stability.

5. Lack of Social Security and Welfare Coverage

Gig workers are typically not included in the formal social protection systems for example health insurance, provident fund, pension schemes, and paid leaves. Being without these protective measures makes them more prone to health problems, loss of income, and insecurity in old age, especially if the worker is solely relying on gig work for living expenses.

6. Algorithmic Management and Work-Related Stress

The companies running platforms are relying more and more on algorithmic systems for distributing tasks, monitoring performance, and rating workers through customer feedback. These systems, while making things more efficient, also cause stress related to work, as the employees are under surveillance all the time, they have to keep their ratings high and they do not have many options for complaining about their situation.

Government Initiative

The Indian government has put into action a variety of steps to not only make the gig economy more approachable but also to bring about worker well-being and welfare. The Code on Social Security, 2020 officially recognises gig workers and has also set up a system to give social security benefits to the workers, while the Code on Wages, 2019 protects the wages by setting universal minimum and floor wages. The e-Shram portal acts as a national database for unorganised workers, with gig workers also included in it, which helps in accessing the welfare schemes. Moreover, the government has taken measures like the Pradhan Mantri Suraksha BimaYojana to cover accidental insurance, along with forming partnerships with institutions like NLSIU and EPFO, which will result in creating dedicated social security mechanisms for gig and platform workers.

Conclusion

India's gig economy has transitioned from a peripheral labour market phenomenon to a core component of national employment. The sector's rapid expansion is accompanied by a broad occupational spectrum, yet the overwhelming share of workers remains concentrated in transport and delivery services. Across all categories, employment stability is limited, as evidenced by widespread lack of contracts and social security. However, occupational diversity presents an avenue for improving stability, particularly as workers migrate toward skill-intensive gigs that are

more conducive to formalisation. This migration can be facilitated by targeted policy interventions, such as skill development programs and incentives for formal employment. By promoting gig work in sectors like IT, healthcare, and creative industries, India can harness the gig economy's potential to drive economic growth while ensuring greater job security and social protection for workers. Ultimately, by strategically nurturing this transition, India can create a more robust and equitable gig economy. Such efforts will not only enhance workers' livelihoods but also contribute to the nation's overall economic resilience.

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Conflicts of Interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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