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Role of the Gig Economy in Developed and Developing Economies: What Is and Has Been the Impact of This Sector on Economic Mobility and Contribution to the Country's GDP? A Case Study of India and the USA

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ABSTRACT

This paper compares the gig economy in India and the United States, using NITI Aayog household surveys and IRS tax records respectively. Both sectors grew quickly through the 2010s. India's gig workforce rose from 2.52 million in 2011–12 to 6.80 million in 2019–20, with 23.5 million projected by 2029–30, while American platform work reached about one per cent of the workforce by 2016 and five million workers by 2021. The similarity ends there. India's micro, small and medium enterprises have not created jobs fast enough to absorb new entrants to the workforce, and the gig sector has employed the remainder. American platforms, by contrast, grew alongside a labour market already operating near full employment, although even there 49 per cent of participants had no other job. In the United States, platform work is a second income earned alongside a first job that carries health cover and unemployment insurance. In India, it is informal work for 82.5 per cent of those engaged in it. Neither country measures this sector's contribution to GDP, primarily because it escapes regulation, and because both countries have built their statistics and labour laws around formal employment relationships.

Keywords: gig economy; platform work; India; United States; informal employment; economic mobility; social security; labour regulation

1. Introduction

In developing economies, employment, and disguised unemployment in particular, has found an alternative avenue besides the agricultural sector. Driven by the convergence of digital technology, platform-based business models, and a fundamental shift in the relationship between labour and capital, the "gig economy" has emerged as a defining feature of twenty-first century economic life. This sector is characterised by short-term contracts, task-based payment, and work mediated through digital platforms rather than traditional employer-employee relationships. The gig economy has moved away from being at the periphery of labour markets to being at the

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centre of employing several informal workers. This has reshaped not only how people work, but how economies grow and how unemployment is being addressed.

"The term 'gig work,' first coined around 1915, describes the exchange of labour for money on a short-term, payment-by-task basis" [30]. This is a concept that has found its most powerful modern expression through digital platforms connecting workers to consumers across sectors and geographies at unprecedented scale. The rapid growth of platforms such as Uber, Upwork, and TaskRabbit (the initial gig economy) has not only created new income opportunities for millions of workers worldwide, but has also challenged established labour norms, placed legislative frameworks under pressure, and raised fundamental questions about job security and worker rights. This sector started as a supplement to mainstream employment but over the years has grown into a permanent structural feature of the global economy. It spans transportation, creative services, professional consulting, and beyond.

It does not operate uniformly across different national and developmental contexts, and it is this differentiation that forms the analytical core of this paper. In developed economies, it has expanded worker choice and created new avenues for income generation, while simultaneously raising serious concerns about job insecurity and the erosion of labour protections. In developing economies, the picture is different in character though no less significant. Participants in gig work in Africa, for example, are predominantly youth, women, and urban workers [13], many of whom enter this sector out of structural necessity rather than preference, in the absence of sufficient formal employment opportunities. For these economies, the gig sector represents both a genuine pathway to economic inclusion and a potential source of persistent risk.

This paper undertakes a comparative investigation based on two case studies that together represent the broader spectrum of gig economy development: India and the United States. The United States, as the world's largest developed economy and home to many of the sector's defining platforms, offers a mature model of gig economy integration marked by deep market penetration and significant regulatory debate. India, by contrast, represents a rapidly growing developing economy where the gig sector is expanding at remarkable speed, carrying with it both the promise of mass employment and urgent questions about worker welfare and economic equity. Together, these two economies illuminate both the opportunities and the challenges of gig economy growth across very different developmental contexts.

Against this backdrop, this paper seeks to address several interconnected questions. What has been the impact of the gig economy on economic mobility and GDP contribution in both developed and developing economies? Does this sector produce a net positive outcome, and under what conditions? What are its principal advantages and disadvantages for workers, firms, and governments? And how has its growth addressed, or failed to address, unemployment,

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particularly in developing economies? Through a comparative analysis of India and the United States, and drawing on empirical data and scholarly literature, this paper aims to offer a rigorous and balanced assessment of one of the most significant shifts in the contemporary world of work. The paper is further organised into a review of literature, research methodology, results and analysis, discussion, implications, and limitations and scope for future research.

The development of the gig economy has an inextricable linkage to the rapid digitalisation of recent times. Digital infrastructure such as smartphones, internet penetration, guidance systems, and payment infrastructure is what makes platform-based gig work viable. The watershed moment can be identified in the early 2000s with the emergence of online marketplaces like eBay and Craigslist, which allowed individuals to sell goods or offer services in an online format, coupled with freelance platforms. The gig economy expanded further in the 2010s with the proliferation of on-demand platforms for various services, including transportation (Uber, Lyft), accommodation (Airbnb), and task-based work (TaskRabbit), while smartphones with GPS enabled real-time, location-based matching of workers to tasks. The model moved beyond knowledge work into physical services such as transport, delivery, and home tasks. Artificial intelligence and machine learning gained traction in the 2010s, automating tasks and creating new job categories. The COVID-19 pandemic in 2020 accelerated digital transformation across industries, with remote work becoming mainstream and collaboration tools growing exponentially. The advent of algorithmic matching, which connects the right worker to the right task instantly, along with dynamic pricing, AI-based reputation systems, and automated onboarding, has dramatically reduced friction and transaction costs on both sides of the platform.

2. Literature review

The gig economy has become one of the most consequential developments in twenty-first-century labour markets, reshaping how work is organised, how firms are structured, and how economies grow [11]. This review examines recent employment across gig sectors in multiple domains, for example the impact on unemployment, the relationship to economic growth and GDP, the variation between developing and developed economies, and the welfare and regulatory issues it sheds light on.

2.1 Liberalisation, globalisation, and the telecom foundation (1990s)

Institutional foundations for the Indian gig economy were laid under the liberalisation, privatisation, and globalisation reforms of 1991, which marked the collapse of the licence raj and the opening up of sectors such as telecom, previously protected and under state jurisdiction, to foreign participation [16]. Though the National Telecom Policy of 1994 paved the way for private participants in telecom operations, the Department of Telecommunications maintained its

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dual role as regulator and main service provider, with unfulfilled objectives regarding rural access [16]. Two significant steps were taken to address this: the setting up of the independent Telecom Regulatory Authority of India as the regulator in 1997, and the New Telecom Policy of 1999, which shifted the basis of licensing from fixed charges to revenue sharing, gave greater powers to TRAI, and pledged state commitment to providing services in remote, hilly, and tribal areas through a universal service regime [4]. This laid the foundation for the affordable mobile data and affordable smartphones that underpin the gig platform economy.

2.2 The spread of telecommunications and the push for rural connectivity

A defining moment in the change of demand was the launch of Reliance Jio in 2016. This brought the average price of mobile data down from about ₹152 to ₹10 per gigabyte; India became the largest market for mobile data within six months; and the effect is reported to have boosted per capita GDP by about 5.65 per cent while generating savings of roughly ten billion dollars annually [10]. The resulting low cost contributed to the creation of a platform-startup ecosystem, including firms such as Zomato, Ola, and Urban Company [25].

The goal of spreading connectivity to rural areas has also been a policy initiative. The state's universal service obligation translated into BharatNet, a project launched in 2011 as the "National Optical Fibre Network" and renamed "BharatNet" in 2015, known as the world's largest rural broadband programme, laying optical fibre cables to link village panchayats [17]. The results have been notable: the number of rural internet users increased from 115.06 million in FY16 to 405.33 million by September 2024, while the cost of data fell from ₹269 per gigabyte in 2014 to ₹9.08 [9]. Oversight of this and similar digital-connectivity initiatives comes from NITI Aayog's evaluation office [20].

Despite this progress, the availability of platform jobs remains constrained by uneven access to affordable connectivity. According to TRAI's performance reporting, the total number of internet subscribers stood at about 1.03 billion as of December 2025, though a gap between urban and rural access persists [26].

2.3 The Indian gig economy and its platforms

In assessing the scale of the sector, the key reference is the first government document dedicated to measuring this field in India, India's Booming Gig and Platform Economy, produced by NITI Aayog [14]. The document estimates the number of gig workers at 7.7 million as of 2020–21, projected to reach 23.5 million by 2029–30. In addition, a long-range, economy-wide forecast produced by the Boston Consulting Group and the Michael & Susan Dell Foundation suggests that the gig economy could support up to ninety million jobs in the non-farm economy [1].

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Firms in the sector are conventionally divided into two categories, as outlined in the international literature: location-based platforms, where tasks are performed at an assigned physical location, and online web-based platforms, where tasks are done remotely [11]. In India, location-based platforms include transport services (Ola, Uber, Rapido), food delivery (Swiggy, Zomato), quick commerce (Blinkit, Zepto), and home services (Urban Company). Online platforms comprise freelancing websites such as Upwork and Fiverr. The literature on employment outcomes in this kind of work reveals a tension between the benefits these platforms offer and the precariousness associated with them.

2.4 Worker welfare and the regulatory turn

A substantial body of literature is dedicated to the quality, rather than the quantity, of platform employment. According to the annual assessments conducted by the Fairwork project at the Oxford Internet Institute, a large number of Indian platform workers operate on platforms that fail to meet Fairwork's standards for a decent work environment [15]. The regulatory framework governing this sector moved from grey legality to formal legislation through the Code on Social Security, which came into force on 21 November 2025 [18] and became the first central law to regulate gig and platform workers' activities while also providing them various social security benefits [21]. Registration can be completed via the e-Shram portal [12]. At the regional level, the pioneering step was taken by the State of Rajasthan, which adopted special legislation regulating platform workers in 2023 [29], followed by Karnataka in 2025 and Bihar [22].

2.5 The rise, scale, and measurement of the gig economy in the United States

The modern platform gig economy began in the United States, and its development path is entirely different from that of India. In the case of India, growth of digital infrastructure was achieved by means of telecom liberalisation and efforts to increase rural connectivity. In the United States, by contrast, the internet, smartphones, GPS, and digital payments were already widely available by the end of the 2000s. The constraint was economic rather than technological: the recession of 2008 raised unemployment, which pushed people towards freelance work through platforms. In this context, Airbnb and TaskRabbit appeared in 2008, Uber in 2009, and Lyft in 2012. Supported by venture investment and the favourable environment of Silicon Valley, these companies grew quickly and exported their business model worldwide, including to India [27].

Assessing the scale of the gig economy and its impact is difficult, as there are large discrepancies in the methods of measurement. The Bureau of Labor Statistics, through the Contingent Worker Supplement to the Current Population Survey, found that 10.2 per cent of workers held alternative employment arrangements as their main job in July 2023 [2]. That category is

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considerably wider than platform work, since it includes independent contractors, on-call workers, temporary help agency workers, and workers provided by contract firms; the same instrument put electronically mediated workers at 1.0 per cent of total employment in May 2017 [6]. The Government Accountability Office has separately noted the limitations the Bureau itself has identified in this survey [28], and the Bureau has since proposed a further revision of the supplement [3]. Taken together, these figures indicate that in America, people are engaged by these applications largely to earn additional income, and that those who seek such work tend to be those with weaker positions in the traditional labour market.

3. Research gap and methodology

This paper analyses the role of the gig economy in increasing employment and employment opportunities in populous economies like India, and simultaneously its impact on GDP and other macroeconomic indicators. This is contrasted with the impact of the sector on a developed economy like the United States across the same set of macro aggregates.

The methodology adopted is of the mixed-method type, in which both quantitative and qualitative approaches are used. Quantitative data are gathered from authentic secondary sources, and a qualitative explanation is given for the trends that have been indicated.

4. Impact of this sector in a developing economy

4.1 Employment and GDP for India due to the spread of the gig sector

Table 1: Employment and GDP for India due to the spread of the gig sector

Year	Gig workers (UPSS)	Share of total workforce	Share of non-agricultural workforce	Contribution to GDP
2011–12	2.52 million (25.2 lakh)	0.54%	1.03%	Not separately measured
2017–18	5.26 million (52.6 lakh)	1.16%	1.99%	Not separately measured
2018–19	5.39 million (53.9 lakh)	1.15%	1.95%	Not separately measured
2019–20	6.80 million (68.0 lakh)	1.33%	2.36%	Not separately measured
▼ Projection boundary: all figures below are extrapolated, not measured ▼				
2020–21	7.70 million (77 lakh)	1.49%	2.62%	Not separately measured
2021–22	8.70 million	1.67%	2.91%	Not separately measured
2022–23	9.90 million	1.87%	3.23%	Not separately measured

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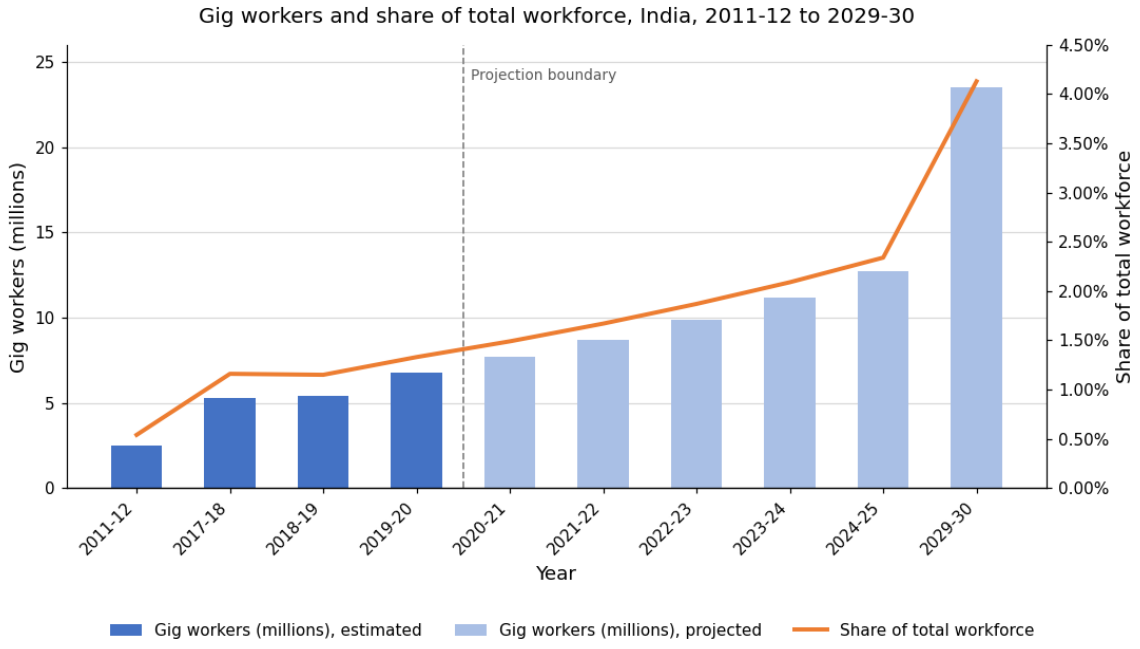
Year	Gig workers (UPSS)	Share of total workforce	Share of non-agricultural workforce	Contribution to GDP
2023–24	11.20 million	2.09%	3.58%	Not separately measured
2024–25	12.70 million	2.34%	3.97%	Not separately measured
2029–30	23.50 million	4.13%	6.68%	Not separately measured

Source: NITI Aayog [14] for gig worker counts; workforce shares derived from NITI Aayog [14] and ILO [11].

Basis: Figures for 2011–12, 2017–18, 2018–19 and 2019–20 are NITI Aayog's indirect estimates derived from Periodic Labour Force Survey data. The figures for 2020–21 and 2029–30 are NITI Aayog projections, and the intervening years from 2021–22 to 2024–25 are interpolated along the NITI Aayog trend, as no separate published figure exists for those years. "Not separately measured" indicates that India's national accounts do not isolate a gig sector, so no official year-by-year gig-GDP figure exists; the only available figure is the Boston Consulting Group projection of approximately 1.25 per cent of GDP by 2030 [1].

Figure 1: Gig workers and share of the total workforce in India, 2011–12 to 2029–30. Plotted from Table 1. Bars to the left of the dashed line are NITI Aayog estimates; bars to the right are projected or interpolated.



The table clearly indicates the growing importance of the gig economy in India. There has been a multifold increase from 2011–12 onwards. The pandemic led to an increasing dependence on e-

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commerce and q-commerce, leading to a further increase in the demand for workers in this category.

The exact contribution to the GDP of the economy has not clearly been indicated, but the projection according to the Boston Consulting Group is that this sector would contribute approximately 1.25 per cent of GDP by 2030. The growth of the sector has come at a time when avenues for employment for India's workforce have declined. Jobs available in micro, small and medium enterprises (MSMEs) have not increased in line with the numbers entering the workforce. An alternative employment avenue has opened up with the spread of the gig sector.

5. Impact of this sector in a developed economy on the GDP and employment

Table 2: Share of the workforce and contribution to the GDP of the gig economy in the US from 2012

Year	Platform gig workers (tax data)	Share of workforce	Contribution to GDP of this sector
2012–13	Sector nascent; the online platform economy effectively begins in 2012 [5]	≈0.1%*	Not separately measured
2014–15	Rapid growth phase. JPMorgan Chase Institute data show that 1.6% of Chase households received platform income by March 2016, up from roughly 0.5% three years earlier, with nearly all of the growth driven by transportation platforms [7]	≈0.4–0.6%*	Not separately measured
2016–17	About 1% of the workforce received payment from an identified online platform in 2016. Of the increase in the 1099 workforce as a share of the tax workforce between 2012 and 2016, 86% was attributable to platform workers with no other 1099 earnings [5]	≈1.0% [5]	Not separately measured
2018–19	Raw counts plateau owing to the "1099-K gap". Imputation using Massachusetts and Vermont state returns indicates that raw counts understate platform work by approximately 770,000 workers by 2018 [8]	≈1.2–1.5% (imputed)*	Not separately measured
2020	At least 5 million individuals received	≈3% of the tax	Not separately measured

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Year	Platform gig workers (tax data)	Share of workforce	Contribution to GDP of this sector
	information returns from platform gig work by 2021, a net increase of about 3 million workers (roughly 150% growth), driven by pandemic-era entry into delivery work [8]	workforce*	
2022	≈5.2 million (raw count; growth returns to the slower 2017–19 pace after the pandemic surge) [8]	≈3.3%*	Not separately measured
2023	≈5.8 million, nearly triple the 1.9 million recorded in 2019 [8]	≈3.5%*	Not separately measured

* Author's derivation from the sources cited, not a figure reported directly in those sources.

Figures are counts of individuals receiving 1099 information returns from over ninety identified labour platforms, drawn from IRS administrative data covering the universe of taxpayers [8]. They measure participation, not full-time-equivalent employment. The overwhelming majority of platform workers are engaged in transportation and delivery work; only a small minority earn more than US$20,000 in gross annual platform earnings; and most platform income supplements a primary wage job [5][8]. The tax-based estimate for 2016–17 is corroborated by the independent household-survey estimate of the Bureau of Labor Statistics, which put electronically mediated workers at 1.0 per cent of total employment in May 2017 [6]. No official estimate of the gross value added by platform gig work is published by the Bureau of Economic Analysis. The GDP column is therefore recorded as "not separately measured" throughout.

The above table for the United States is less complete than the one for India. One of the possible reasons could be that platform gig work grew rapidly from 2012, reaching about one per cent of the workforce by 2016, with almost all of that growth coming from online platforms. Of the expansion of the 1099 workforce as a share of the tax workforce since 2012, 86 per cent was attributable to platform workers with no other 1099 earnings [5]. The pandemic produced a second surge in this sector, with the number of workers receiving information returns from platforms rising by roughly three million between 2019 and 2021, taking the total to at least five million. This growth was driven overwhelmingly by entry into delivery work. These numbers indicate that even in a capital-intensive economy like the United States, the gig sector has made a substantial contribution in terms of the employment of the labour force.

The contribution of this sector to the GDP of the United States has never been separately measured, and no satellite account exists for it. What can be discerned is that the output share is small while the participation share is not. The overwhelming majority of American platform

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workers are engaged in transportation and delivery, only a small minority earn more than twenty thousand dollars a year from the platform, and most platform income supplements a primary wage job rather than replacing it.

This is the essential contrast with India. In a capital-intensive economy operating near full employment, the question of absorbing surplus labour does not arise. The American worker turns to the platform to smooth income or to supplement earnings already being made elsewhere, and not because the formal sector has failed to expand at the rate of the labour force. Where the Indian gig economy has opened an avenue of employment for a workforce that MSMEs could not absorb, the American gig economy has opened an avenue of additional income for a workforce that was already employed. The two sectors share a name but address different problems in their respective economies.

6. Limitations

6.1 The dispersion of Indian estimates

Published estimates of India's gig workforce disagree by a factor of five. Fairwork India reported approximately 3 million workers across eleven platforms in 2020. The Boston Consulting Group estimated 8 million gig jobs in the same year. TeamLease put the figure at 15 million by 2018, and ASSOCHAM and Primus Partners at 15 million freelance workers in 2021. NITI Aayog's review of this literature describes the spread, which it puts at 3 to 14 million, as a confounding and contradicting array of estimates. Its own indirect estimate of 6.8 million for 2019–20 falls near the middle of that range [14].

The monetary estimates diverge further. IBEF, citing ASSOCHAM, reports the sector expanding to USD 455 billion by 2024 at a compound annual growth rate of 17 per cent. The same NITI Aayog review reports BCG's projection of USD 250 billion in transactions, equivalent to 1.25 per cent of GDP, by 2030 [14][1]. The two figures are incompatible. USD 455 billion would be approximately 13 per cent of India's nominal GDP in 2024, and nearly double a figure projected for six years later. This paper does not use the ASSOCHAM figure. It nonetheless circulates widely in the secondary literature on the sector: it forecasts transaction volume, yet it has been reproduced as though it measured the sector's contribution to output.

This discrepancy is largely structural in origin. India's statistical system does not separately classify types of gig workers, and NITI Aayog states that official data do not estimate gig and platform workers owing to the "amorphous" nature of the work [14]. Every figure in circulation therefore originates in one of three ways: a platform's own disclosure, a sample survey, or an indirect estimate built from proxy characteristics. NITI Aayog's estimate belongs to the third category, and the report is candid about what it produces: its output may be more accurately

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described as workers with gig-worker-like characteristics than as gig workers. The direction of error is left open. The report flags possible over-estimation, since some filtered workers may not do gig work, and possible under-estimation arising from its 18–45 age filter [14].

6.2 The absence of a measured GDP contribution

Neither economy measures the sector's contribution to output. India's national accounts do not isolate a gig sector, and NITI Aayog computes no such figure. The United States publishes no gross value added estimate for platform work and maintains no satellite account. The GDP column of both tables therefore reads "not separately measured" throughout, and this paper constructs no substitute.

6.3 Comparability of the two series

Tables 1 and 2 do not measure the same object. India's figures derive from household surveys filtered by proxy characteristics, and cover both platform and non-platform gig workers, the latter being casual wage and own-account workers in conventional sectors. The American figures derive from tax records covering the universe of taxpayers, count only workers receiving information returns from identified platforms, and understate the total owing to reporting thresholds. The two estimates also differ in the direction of their error. India's may be too high or too low; the American figure is known to be too low, by a mechanism the source quantifies.

A direct comparison of levels between the two tables would be invalid, and none is offered. The comparative claims of this paper rest on trajectory, elasticity and composition, which survive the mismatch.

7. Work done by the government with respect to the welfare of these workers

In India, as the demand for gig workers increased, companies started engaging them on a contractual basis rather than providing them with regular employment. This meant that they were out of the scope of the various social welfare schemes that a company may have in existence for its regular workers. These workers were also under stress, as their earnings depended on the timely delivery of goods to their end destination, which led to accidents and adverse health conditions. The Code on Social Security, 2020, which came into force on 21 November 2025, is the first central law to define the gig worker, the platform worker and the aggregator, and to bring them within the social security system [18][21]. Section 114 empowers the Central Government to frame schemes covering life and disability cover, accident insurance, health and maternity benefits, and old age protection, funded through a Social Security Fund to which aggregators contribute between one and two per cent of their annual turnover, subject to a ceiling of five per cent of the amount payable to such workers [21]. The Social Security (Central) Rules,

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2026, notified on 8 May 2026, made this operational by requiring every aggregator to register itself and each worker it engages on a central portal in real time, and by constituting the National Social Security Board for gig and platform workers [23]. Workers register themselves through the e-Shram portal [12].

The significance of this development should not, however, be overstated. Entitlement is conditional on ninety days of engagement with a single aggregator, or one hundred and twenty days across several, in the preceding financial year, a threshold which unions argue excludes the greater part of a workforce that is seasonal and multi-homing by nature [23]. No scheme has yet been notified under Section 114, and the health cover announced for gig workers under Ayushman Bharat PM-JAY in the Union Budget 2025–26 awaits rollout [19]. The Rules thus construct the machinery of registration and contribution in advance of the entitlements they are meant to fund. By retaining the aggregator classification, the law brings platform workers into a national database while leaving unresolved whether firms exercising employer-like control over pricing, task allocation and deactivation ought to bear employer-like obligations [24].

The United States operates a rather opposite system. Where India has legislated a statutory category for gig workers and is now building the machinery to fund it, the United States has no federal framework for gig workers, and the absence follows from classification. American platform workers are self-employed independent contractors, and the consequences are automatic. Collins et al. list no employer-sponsored health insurance, no minimum wage or other Fair Labor Standards Act protection, no place in state unemployment insurance systems, and no employer support for training, retirement savings or tax planning [5]. No statute was required to produce this exclusion; it follows from the contractual form. India's Code on Social Security creates a third category, the platform worker, and attaches benefits to it. The United States has no third category, and the contest there is confined to which of the two existing categories platform workers occupy [5].

It might be argued that the exclusion matters less in the United States, since platform earnings there are supplementary. Most participants work alongside a primary job, and JPMorgan Chase Institute data put reliance on platform income at 24 per cent of total annual income [5][7]. The disaggregated figures do not support the argument. As of June 2016, 49 per cent of labour platform participants were not employed, and non-employed adults participated at nearly twice the rate of the employed. Those who persist beyond a year draw 47 per cent of their active-month income from platforms, against 30 per cent for those who exit, and the persisters are the lowest earners with spells of non-employment [7]. The supplementary character of these earnings is weakest among the workers who depend on them most.

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Supplementation does not distinguish the two economies in any case. NITI Aayog reports the same pattern in India, where gig income is not the primary source and workers often hold another regular job [14]. The difference lies in what that primary job carries. American platform workers fall back on W-2 employment with employer health coverage, unemployment insurance and Fair Labor Standards Act protection. Indian gig workers fall back on informal work: NITI Aayog finds 82.5 per cent of them in informal labour relations, within a workforce that is over 90 per cent informal [14].

The tax system compounds the American exclusion. Platform earnings are reported on information returns and not through payroll, and compliance is weak: 43 per cent of platform 1099 recipients filed no Schedule C or SE, and many fall below the four-hundred-dollar threshold at which self-employment contributions become mandatory [5]. Workers outside the contributory system are, by the same mechanism, outside the benefits it funds.

The principal policy response has been portable benefits, accrued across platforms and attached to the worker. The JPMorgan Chase Institute observed that high turnover makes the administrative burden substantial where enrolment is manual, and that minimum eligibility requirements might otherwise be needed to manage short-lived participants [7]. The point bears on the Indian design. Unions argue that the ninety-day threshold excludes most of a workforce that is seasonal and multi-homing, and the American evidence supports them: one in six participants in any month is new, and more than half exit within twelve months [7]. If attachment is this brief in the world's most mature platform market, an eligibility rule keyed to ninety days with a single aggregator excludes a substantial share by construction. Both jurisdictions have arrived, from opposite directions, at the same unresolved question: whether firms exercising employer-like control over pricing, task allocation and deactivation ought to bear employer-like obligations.

8. Conclusion

India's gig workforce rose from 2.52 million in 2011–12 to 6.80 million by 2019–20, with 23.5 million projected by 2029–30 [14]. Platform work in the United States reached roughly one per cent of the workforce by 2016 [5]. These are two similar trends describing two economies doing incomparable things with the same technology. India's micro, small and medium enterprises have not created jobs fast enough to absorb new entrants, and the platform has absorbed the majority. The American labour market was near full employment throughout; its platforms attached themselves to a workforce that already had jobs.

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Gig work is a second income in both countries. A second income, however, is only as secure as the first. In the United States the first income is usually a formal job, and it carries employer health coverage, unemployment insurance and Fair Labor Standards Act protection [5].

Economic mobility is understood to occur when a job improves a worker's position over time, either through income, skill, or security. What matters is what happens the longer a worker stays, and not merely whether the work exists. This sector lets people in, but there is little sign of upward mobility. Tenure works backwards in this sector. Staying longer does not build anything in terms of higher pay or emoluments. In India too, platform work has not moved its workers out of informal labour relations, which is where most of them originally started [14].

Neither country can statistically indicate the sector's contribution to the economy's GDP. India's national accounts do not isolate a gig sector, and NITI Aayog computes no such figure [14]. The Bureau of Economic Analysis publishes no gross value added estimate for platform work and maintains no satellite account. The one figure in circulation is BCG's research analysis indicating 1.25 per cent of GDP by 2030 [1]. A sector this large went for years without any central or state legislation covering those who work in it. Considering the impact it has on millions of lives in terms of income, it is essential that they are placed under proper legislation. India has begun to close this gap. The Code on Social Security, 2020, brought into force on 21 November 2025, is the first central law to define gig and platform workers and to extend social security to them, with registration routed through e-Shram [18][21]. Rajasthan legislated ahead of the Centre in 2023, followed by Karnataka and Bihar in 2025. The United States has no equivalent law in place. No federal statute covers platform workers, classification remains contested under the Fair Labor Standards Act, and state action is confined to measures such as California's Proposition 22. What protects the American gig worker is the formal job held alongside the platform work, rather than any gig-specific legislation.

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