

An in-depth analysis of labour market monopsonies in the gig economy sector in India. The role of market dominance in wage settlement and working hours in companies like Zomato and Uber

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ABSTRACT

This paper examines the presence of monopsony in India's gig economy while evaluating its impact on market outcomes, service conditions for consumers, and working conditions of the workers (driver- and delivery- partners). The study investigates how the concentration of market power among major platforms that buy labour, such as Uber India and Zomato, can influence the wages, employment opportunities and conditions, income and job security, and the overall bargaining position of the workers. The findings suggest that although the companies have achieved substantial profitability and market share, improvements in workers' conditions, compensation, medical and employment security, and social protection have not accompanied the companies' growth. The structures of wages, coverage of insurance (medical, accident, life, etc.), support during the pandemic, and other such parameters demonstrate the detrimental conditions that are imposed upon the workers as a result of the companies aiming to improve their profitability and financial position. For instance, Uber cut financial incentives and benefits for its drivers in order to maintain its own financial position. This issue is particularly significant within India's labour market, where the large availability of workers (driven by the high unemployment rate) may reduce individual workers' bargaining power and allow platforms to maintain the deleterious conditions. The government has attempted to introduce measures aimed at improving the welfare and protection of gig workers. However, there are loopholes within the regulations created for the protection of gig workers that companies have circumvented in order to avoid obligations. This reduces the effectiveness of the measures. Overall, the research highlights the relationship between platform market power and worker conditions, while considering the need for greater competition within the market to ensure better outcomes for all stakeholders in the market (consumers, firms, and workers). This could ensure that the growth of India's gig economy is accompanied by worker welfare.

Key words: Monopsony, Gig Economy, Gig Workers, Wages, Working Conditions, Zomato, Uber India.

1. Introduction

The gig economy is characterised by employment through short-term, flexible, and temporary contracts. Such employment may be considered a perfectly competitive labour market, as there are low barriers to entry for labour services. However, there are frictions in the labour market (delays that workers encounter when matching with an employer due to heterogeneous preferences, mobility costs across areas, etc.), indicating that each worker has different needs. This establishes that if the employer reduces the wages, the workers would not immediately leave, indicating that the supply curve is not perfectly inelastic and is instead upward sloping (Manning 3, 2003). The upward-sloping supply curve gives employers wage-setting power, as they can set a wage below the worker's marginal revenue product (MRP) (Azar, 2024). Furthermore, the gig employers, such as Zomato and Uber, have access to a highly concentrated customer base and set wages for the workers. The behaviour of setting wages below MRP and consequently having control over the sellers of labour displays that the gig employment sector has monopsonistic tendencies. *Monopsony is a market where a dominant buyer (employers in the case of labour markets) purchases from several sellers (labourers), putting downward pressure on prices (wages).*

Other drivers of the gig economy include technological developments with mobile applications as well as AI-based platforms such as the ones Zomato and Uber use. Such advanced platforms have simplified matching jobs for workers with regard to flexibility, costs, and more. Through such platforms, barriers to entry have been reduced, making this work more accessible to the public by increasing the feasibility of obtaining gig jobs. Technological development has also increased connectivity among workers and employers from different regions, driving growth globally. Most common cases are those where workers from India, Africa, and Ukraine provide services to clients in North America and Western Europe. This increases work opportunities; however, it also contributes to global competition, putting downward pressure on wages for workers and reinforcing inequalities between developing and developed nations.

A catalyst for the growth of the gig sector, driven by technological improvements, was the Covid-19 pandemic. During this period, the requirement for short-term workers who could be accessed without physical interactions increased rapidly (especially for food and grocery deliveries) (International Labour Organization, 2021). However, this crisis also brought about instability in income, health risks, and more for several gig workers.

2. Literature Review/Background

The emergence of the pattern of the gig economy can be traced back centuries to a time when freelance labour existed. However, then it was mostly viewed as a supplemental source of income (as everyone had other primary sources), being highly tractioned in the late 20th and early 21st centuries during the rise of digital platforms.

The term “gig” comes from music artists, particularly jazz artists, who would accept temporary contracts for performances, often referred to as “gigs”. Later on, during World War II, economic and political instability forced businesses and workers to shift towards temporary employment for shorter periods, increasing the popularity of the pattern of gig work (Kaushik, 2025). This form of flexible contract and source of income has increasingly grown popular to the point of being referred to as the “gig economy”. The popularity of the gig economy increased in the 1980s and 1990s, when companies began using a flexible employment model in order to improve their competitive advantage (as global competition grew) by being able to cut costs and increase overall workforce productivity. The attractiveness of this industry increased when companies like Uber, TaskRabbit, and Airbnb were introduced. Over the next few years, the flexibility of this employment structure catered to people such as students, retirees, and those in need of another income stream (Janani, 2025). Due to the development of technology, the gig sector can be divided into platform and non-platform economies, depending on whether the gig work involves the use of platforms to obtain jobs and match with customers (Roy, 2025).

The role of the gig sector differs in developed and developing economies primarily due to the availability of labour, the spread of internet facilities, and the increase in demand for smartphones. All three are important factors in increasing the supply of workers for the gig sector.

In developed countries and regions such as North America and Europe, gig platforms are said to be a source of supplementary income, rather than in developing nations. 44% of the respondents in a survey who reported platform work as their main source of income were from developing countries (Hadwiger, 2022). Reports have shown an increasing use of digital platforms in African regions (130% surge) compared to American regions (14%). Developing regions such as South Asia, Africa, and Eastern Europe have a greater supply of young and skilled remote workers, driving the growth of the gig sector in those economies (Singh et al., 2024). Moreover, emerging economies have a higher labour participation in the gig sector, standing at 5-12%, as compared to developed economies, which stand between 1-4% (Joo, 2021).

Studies have shown that the competitiveness of labour markets, such as the gig sector, is sensitive to the rate of development in each country. Data from developing countries have

yielded lower estimates of supply elasticity than in developed regions such as Europe, Canada, and the USA, implying that firms in developing countries exhibit greater monopsonistic behaviour because of excess labour supply (Sokolova and Sorensen, 2018). Furthermore, each country or region has different union labour laws and government regulations, in restricting monopsonistic tendencies and abuse of power in labour markets, such as the Indian Competition Act in 2002.

The gig sector has been increasingly prevalent in India, especially since the pandemic years, when unemployment and social inequalities were high, along with a decline in economic growth. During this period, 90% of the gig workers lost most of their income and were uncertain about their future finances (International Labour Organization, March, 2026). In 2019-20, the demand for gig workers increased manifold, resulting in 6.8 million workers in the sector. It grew in 2020-21, when the workforce consisted of around 7.7 million people (NITI Aayog, 2022). India's gig economy, as a whole, is expected to grow at a CAGR of 17.4% (Roy, 2025). The workforce, specifically, is projected to grow to 23.5 million by 2029-30, which would add up to around 40% of the global freelance market (Ahmed, 2026). According to the ILO, the global average unemployment rate is 4.9%, while the CMIE has reported that India's unemployment rate is around 6.4% as of 2026 (Economic outlook). As a highly populous country with an above-average unemployment rate, the monopsonistic nature of gig employment in India is amplified. The high unemployment rate signifies that workers cannot shift to alternate jobs if their current job pays less, allowing employers to pay less than the marginal product of labour. This data also signifies that employers will almost always have a large gig labour supply, especially due to technological developments; as workers face search frictions, they will resort to the most convenient ways of obtaining a job (through online platforms).

3. Research Gap and Methodology

This paper will concentrate on the labour market monopsony in the gig economy sector in India, given the fact that the Indian economy is a populous one. What is the impact of this position on the wages that the workers earn and their working conditions? A case study analysis of Uber and Zomato would be undertaken to compare the situation for both the company and the worker in terms of wages, the standard of living of the workers, profits, and sales of the companies.

The methodology adopted would be of the mixed-method type, where both quantitative and qualitative methods would be applied to authentic sources. Quantitative data from these sources will be used for comparison between Uber and Zomato. Qualitative analysis will be adopted for the explanation and evaluation of monopsonistic tendencies.

4. Analysis

UBER India

Uber launched its operations in India in 2013 as 'Uber India'. Its first technology centre in Asia was opened in Hyderabad in 2014. Over the next decade, various types of ride-hailing alternatives (autos, buses, etc.) have been launched in the region, such as Uber Moto, Uber Auto, and Uber Green, catering to the culture and trends in the region (*Uber India – Economic Impact Report*). Uber India spans across 125+ cities in the country (IndiaSA Comms, August, 2023). However, various regions do not permit regular point-to-point rides, such as Goa, Sikkim, Andaman & Nicobar Islands, Jammu & Kashmir, etc. (Gupta, 2019). In cities like Goa, where tourism is the sole income for several households, the taxi unions do not want the presence of companies like Uber.

Uber Eats, a prominent component of Uber's global business, failed to survive and sustain itself in the Indian market. Many claim that Uber's system was optimised for people, not the state of the food, showing its inability to keep up with other established food delivery businesses (Batra, 2025). *Adapting to a country's needs and culture is crucial for a company to make an impact and survive.*

Uber India began providing affordable options such as UberX, UberGo and Uber Auto to cater to India's price-sensitive market, along with meeting the country's evolving mobility needs by offering Uber Auto, buses, bikes and more (IndiaSA Comms, December, 2023).

Another reason is the existing market dynamics where Swiggy and Zomato were dominating, resulting in Uber Eats having to spend a lot of money just to stay visible in the market (Batra, 2025).

Other major existing competitors of Uber India's ride-hailing services are Ola and Rapido. In the four-wheeler ride market, Uber holds the highest market share of around 45%, whereas its competitors, Ola and Rapido, hold 25-30% and 20%, respectively. Additionally, Uber India has begun losing its market share in the two- and three-wheeler ride markets to the rapidly rising competitor Rapido (FE Bureau, 2026). Ola is a homegrown mobility company that not only operates cab services but also offers financial services, electric vehicle manufacturing, etc. (Tofler, 2023). Rapido initially specialised in bike-taxi services, but has expanded into auto-rickshaws and cars (ETtech, 2025). Along with these, open-source and government-backed services such as Namma Yatri and Bharat Taxi offer zero-commission services, deeming them more attractive than Uber.

BluSmart was another such competitor for Uber in India, its quality cars being its selling point. Multiple reasons have been stated for the collapse of Uber's formidable rival, the most prominent of them being internal conflicts and mismanagement (Inamdar, 2025). As BluSmart began to turn away from direct ride-hailing services, it established what was possibly the best survival and usage strategy for its capital and services: the integration of its EV fleet into Uber's network (TOI Business Desk, 2025). As the company collapsed, a lot of its customers began turning to established services like Ola and Uber, improving their market share and profitability.

Additionally, as the EV market grows globally and in India, Uber (especially Uber Green) is being rivalled by the Vietnamese automaker VinFast, which, unlike Uber and Ola, owns its cars and employs drivers. VinFast also reportedly charges ₹8/km, whereas similar companies like Ola and Uber charge an average of ₹10-14/km. Meanwhile, although Rapido's bike-taxi services are cheaper, its four-wheeler cab services are not (Raj, 2026).

Table 1 - Uber India financial trends

Year	2019	2020	2021	2022	2023	2024	2025
Sales (billion km)	-	-	-	4.5	6.8	9.2	11.6
Revenue (₹ crore)	891.9	703.1	370.5	560	2666	3762	3849.2
Profit	-	Loss	Loss	Profit	Profit	Profit	Profit
Share Price of Uber (NYSE) (\$)	35.6	35.51	48.61	29.35	41.78	70.77	84.7

(Sources: Tyagi 2021, Annual Reports, "Uber Technologies - 7 Year Stock Price History | UBER.")

Figure 1: Uber India's Sales from 2019 to 2025

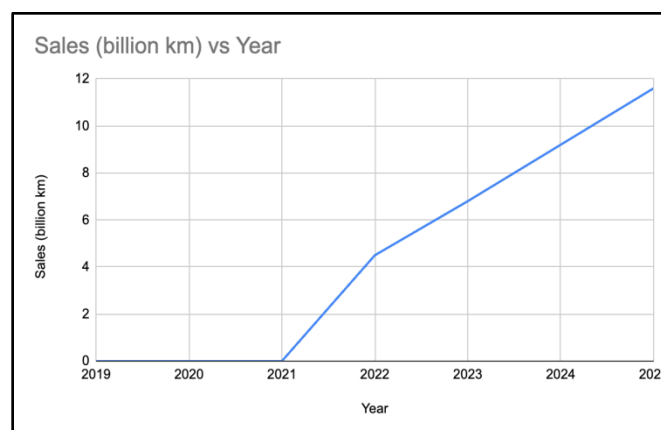
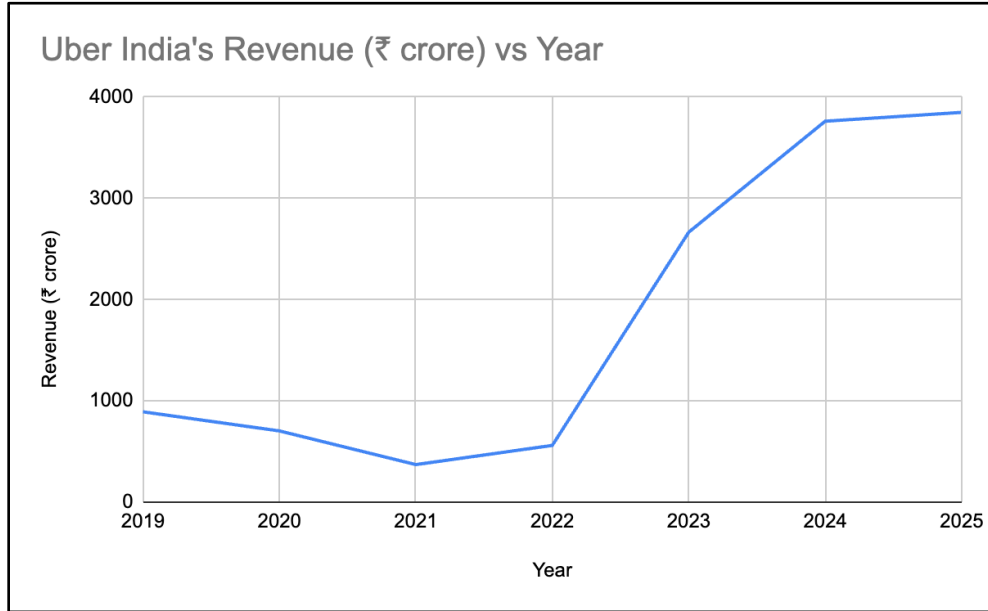
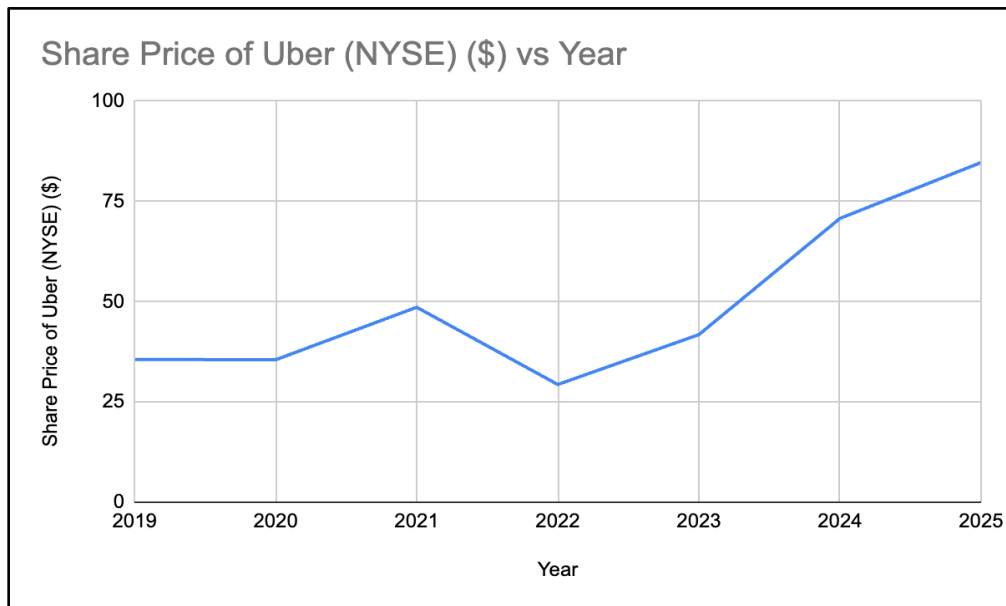


Figure 2: Uber India's Revenue from 2019 to 2025**Figure 3: Uber's Average Share Price from 2019 to 2025 (NYSE)**

The figures above represent the trends of the different aspects of the growth of the company. Figure 1 illustrates the company's constant growth path since the pandemic years, possibly driven by the increased popularity of the ride-hailing market along with Uber's growing presence

throughout India. Figure 2 shows an initial decrease till 2022, which is followed by exponential growth over the next 3 years, demonstrating Uber India's massive growth in the Indian ride-hailing market. The lowest points of the graphs in Figures 2 and 3 (between the years 2021 and 2022) are reflective of the negative effects of the pandemic on the business's sales, profitability, and overall growth. In contrast, the latest financial data has shown a massive upward trend in all three factors (sales, revenue, and share price), which implies the growing market presence of the company along with its increasing influence on the ride-hailing industry.

Uber in India has managed to survive in spite of almost direct competition from companies like Ola and Rapido and peripheral competition from companies like BluSmart, VinFast, and Shoffer. The primary reason for this is that they have continuously evolved themselves by introducing various types of transport vehicles from Uber Black to Uber Autos, catering to the income levels of every section of the population. It has even started a competition with Porter, which is a pick-up and drop-off facility for parcels. This expansion, in all spheres within their domain, has led to them being monopsonistic in their behaviour.

ZOMATO

Zomato was initially called Foodiebay, a restaurant discovery platform founded in 2008 by Deepinder Goyal and Pankaj Chaddah. It used to provide menus and reviews of various restaurants with the goal of helping customers gain a better understanding of different restaurants. Over almost two decades, Zomato has expanded its services to online food ordering (in 2015) and has grown to acquire other start-ups, improving its market research and capabilities. Today, it offers food services (including delivery), subscriptions, and cloud kitchens. Zomato has become a quintessential part of the everyday lives of most people in India, where food delivery and Zomato have become interchangeable (Sharma, 2026).

After Zomato rebranded itself in 2010, it expanded internationally in 2012 and entered India's food delivery market in 2015. In 2020, it acquired Uber Eats, followed by an IPO in 2021, making Zomato a publicly held company. Then, Zomato acquired the quick commerce platform Blinkit, expanding into broader food-tech and e-commerce markets (Bajaj).

Zomato functions under the parent company Eternal, which also operates the acquired businesses such as Blinkit. The company has partnered with over 300,000 restaurants and offers them a subscription service for a zero delivery fee. Zomato targets metropolitan markets as they offer the greatest scope for growth in terms of sales and volume, evident in its decision to exit smaller cities in India where demand was too low to sustain operations efficiently (Vijayakumar, 2016).

The Indian restaurant food delivery market is said to have a duopoly between Zomato and Swiggy, with the former having a market share of around 58% and the latter holding around 42% (K, 2026).

Zomato's primary competitor in the Indian market is Swiggy, with other alternative platforms like Magicpin and EazyDiner, along with international competition from Uber Eats. A disruption to the aforementioned duopoly is the government-backed Open Network for Digital Commerce (ONDC), which allows any buyer application to connect with a seller (for instance, restaurants in the case of companies like Zomato) without paying the platform commissions that Zomato and Swiggy charge (K, 2026).

Zomato's revenue system primarily comprises a service or commission fee that restaurants have to pay for every order processed on the platform, which ranges from 18% to 30% depending on factors such as location, size, and services availed (Sharma, 2026). Additionally, there are delivery charges (ranging from ₹20 to ₹60+) and platform fees (in 2023, this was around ₹2 but is ~₹15 now, displaying their growth and ability to hike prices as the company is already very well established in its market) imposed on the customers, along with advertising fees (that can go up to ₹25 lakhs depending on where the restaurant wishes to display and advertise) and membership subscriptions (up to ₹1000) (Sharma, 2026).

Zomato's gig force operates as delivery partners, where their wages are determined by the volume of orders (number of deliveries) received and delivered. This will be delved into further under 'Wages & Working Conditions'.

Table 2 - Zomato financial trends

Year	2019	2020	2021	2022	2023	2024	2025
Sales (million orders)	191	403.1	238.9	535.2	647	753	853
Revenue (₹ crore)	910	2360	2160	4760	6150	7792	9418
Profit	-	Profit	Loss	Profit	Profit	Profit	Profit
Share Price (₹)	-	-	135	67.3	85	217.73	271.62

(Source: Eternal (Zomato) - Annual reports; Zomato (ZOMATO.NS) - Stock Price History)

Figure 4: Zomato's Sales and Revenue from 2019 to 2025

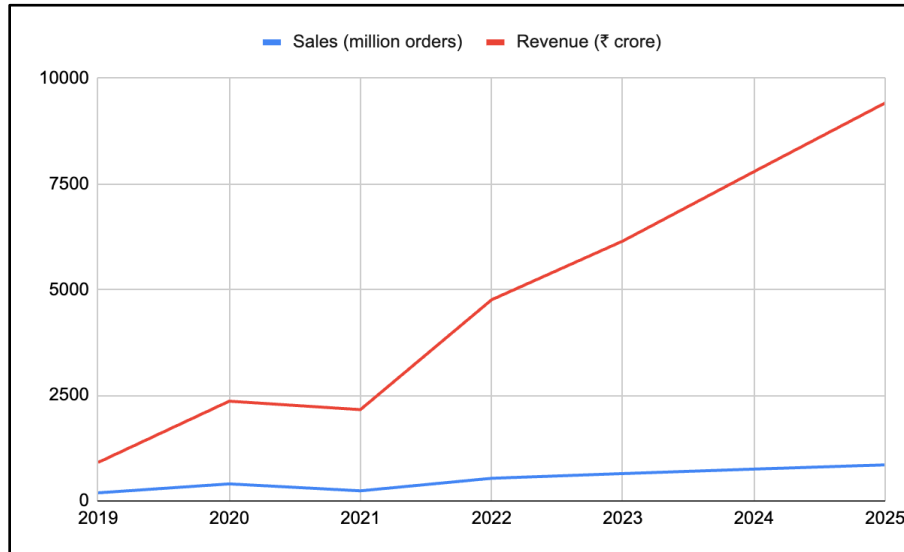


Figure 5: Zomato's Average Share Prices from 2021 to 2025



For both companies (Uber India and Zomato), sales and revenue have seen an overall increase, indicating the overall growth of both companies.

In Figure 4, Zomato's sales and revenue during the pandemic years saw a decline, showcasing the impact of external factors on the company's growth and performance. However, the company was able to almost double its sales and more than double its revenue, displaying a great

improvement and comeback from the pandemic decline. Additionally, the impact of acquiring Blinkit and other subsidiaries resulted in a loss in the year 2021.

Wages & Working Conditions

Uber India

Uber India has created around 1 million jobs through its gig workforce for the Indian economy (Ghosh, 2021), making it one of the most prominent companies in the gig labour force of India (possibly a sign of the company having greater influence on the market).

The treatment of drivers at VinFast and at Uber differs greatly. VinFast offers a monthly payment ranging from ₹35,000 to ₹40,000, displaying a salary-based model, alongside which the company offers insurance and performance-linked incentives (Raj, 2026).

Unlike such a model, Uber offers commission-based payments to its drivers, making their earnings irregular. The drivers earn a base price, plus time and distance rates, minus the service fee that they have to pay to the company and fuel costs (*How Earnings Are Calculated for Rides | Driving and Delivering | Uber Help*). The base price for a cab service ranges from ₹40 to ₹50 (depending on the city), whereas for two-wheeler rides it is around ₹25 to ₹40. For four-wheeler services, the time and distance rates usually revolve around ₹12 to ₹15 per kilometer (though this may change depending on peak times, cities, etc.), while for two-wheelers, it is ₹8 to ₹11. The earnings for full-time four-wheeler riders and two-wheeler riders (minus the fuel costs) range from ₹30,000 to ₹50,000 (Mehta, 2026). Other than this, the company usually deducts 25% to 40% of the driver's earnings as service or commission charges. However, the company has brought changes to this model for its Uber Auto service as competition from Rapido and Namma Yatri (which does not charge commission fees as much as Uber) started increasing (Singh, 2025). This implies that the company only reduced the service fee and improved the wage conditions for its driver-partners in order to respond to competition and maintain its market influence.

Although the driver-partners should not be working for more than 10 hours, they often spend around 14 hours in order to earn more, trying to work the most during the peak hours. There is a possibility that VinFast pays a higher amount to its drivers due to higher charges from its customers. On the other hand, Uber India may be an affordable alternative, which may well be the reason that the drivers who earn the same amount as VinFast have to put in 14 hours a day (rather than the suggested amount of working hours by the government).

During the pandemic, Uber India donated ₹100 crore towards driver welfare initiatives such as the Uber Driver Care (UDC) fund, COVID financial assistance, vaccinations, and distribution of

safety kits along with doctor consultations. The UDC fund was initially committed to having ₹25 crore to benefit around 1,000,000 drivers. Additionally, 2 crores were spent on the COVID financial assistance program for driver partners (IndiaSA Comms Team, 2021). Although Uber can be seen to be assisting its drivers through the donation initiatives, it has been claimed that these actions lack effectiveness (India Resource Center), especially considering the data from the literature review, which stated that 90% of the gig workers had lost their income.

Uber does not have a social security system for its drivers, functioning only according to the national framework for the security of gig workers, encouraging them to sign up on the *e-shram platform* for benefits. This framework was only recently established, and many experts believe this framework does not compensate for the gig workers' income protection, account deactivation, etc., which could keep various workers out of the benefits of the system (Mukherjee and Ganguly, 2026). Furthermore, Uber India only provides accident insurance for accidents that occur when their drivers are logged into the Uber app and are engaged in an Uber trip (Pti, 2017). Insurance for the vehicles driven by the drivers also must be arranged by the drivers themselves (*Driver Requirements | Uber*).

Additionally, gig personnel often work long hours (especially during peak seasons) in order to maximise their earnings, subsequently increasing the pressure and stress (from the increased workload). Reports have highlighted instances where workers have skipped meals and sacrificed their health to ensure they are earning enough (Humans of Government Affairs, 2025).

As of 2024, only 2% of the drivers on the Uber India platform were women, and through this, the company aims to improve that ratio (Singh, 2024). To add on, women earn significantly less than men, primarily due to safety reasons that limit women from working during night shifts and peak hours (International Finance Corporation, 2018). Alongside, Uber has faced various sexual assault allegations, not only in India but internationally too. This is a display of worse working conditions for female gig workers.

Uber has also been used as a case study to show how companies' operations often involve misclassifying employees, regime shopping, and the practice of employing the most economically vulnerable in society, and concludes that labourers lacking legal protections and benefits (as labour codes are often lenient or the labourers lack the resources to work against their mistreatment), worsening working conditions for the gig workers in the company (Zwick, 2018).

Uber India has been said to use financial incentives (such as cash and high wages) for its drivers in order to attract a greater labour force of driver-partners. However, these often misled the drivers as the company eventually began slashing these incentives, drastically reducing the

incomes earned by the drivers in India. The slashing of incentives came as a result of Uber aiming to improve its financial performance as it prepared for its international IPO in 2019 (Shah, 2019). Such practices, which exert monopsonistic power over their workers, result in lower standards of living for the workers, increased income inequality, and possibly negative impacts on the poverty rate of the country.

Zomato

According to Inc42 Media, Zomato has around 567,000 gig workers (referred to as delivery partners), which is only second to Swiggy's workforce. This implies Zomato's increasing influence in the market, especially in the treatment of gig workers. Around the start of this year (and the end of last year), Zomato sacked around 5000 gig workers (due to legal cases involving fraud) while simultaneously, 150,000 to 200,000 left the platform on their own. Several gig workers operating on platforms such as Zomato went on strike during New Year's Eve in 2025 to fight for high wages, better working conditions and security coverage (ET HospitalityWorld January 5, 2026).

While the government has included the gig workforce in its labour codes (including benefits such as minimum wage, health, occupational, and social security coverages, it requires a platform worker to be associated with a contractor for at least 90 days, reducing the scope of benefits for temporary gig workers (ET HospitalityWorld January 5, 2026). This allows the monopsonistic behaviours of the companies to persist as it limits the gig workers who are eligible for better working conditions and wages, demonstrating the influence that buyers have over the sellers of labour.

Zomato's payment structure for its delivery partners includes base fare, payments per order based on per-kilometer rates (according to the city), milestone incentives (based on the number of orders delivered), and higher payments during surge pricing and bad weather, minus fuel costs (Verma, 2026). The CEO of Zomato has claimed that the average earnings per hour for the gig workers in their company are ₹102 in 2025, which is a 10.9% increase from ₹92 in 2024. The average worker works for 7 hours a day and 38 days a year, adding up to a gross earning of ₹26,500 to ₹21,000, minus fuel costs that have been increasing, creating more concerns for the workers (Humans of Government Affairs, 2025; Anand, 2026; Rai, 2026). However, the Telangana Gig and Platform Workers Association (TGPWA) claimed that subtracting the fuel, vehicle maintenance, and other costs results in the average hourly earnings dropping to ₹81 (ET HospitalityWorld January 4, 2026). Such a small amount for a yearly average income is not enough to support people, especially considering for the Indian economy, this acts as the primary income for most of its gig workforce. Such wages are a display of the monopsonistic tendencies

of Zomato over the gig workforce that have a negative impact on the standards of living of the gig workers.

During the pandemic, Zomato claimed that over 100,000 driver partners had no earnings as they depend on daily wages, and the negative impact on the restaurant industry had worse consequences for them (*Zomato Rider Relief Fund*, 2020). During this period, Zomato introduced contactless deliveries and offered masks to all its delivery partners to ensure the services are being rolled out safely for the consumers as well as its delivery partners. The company also offered COVID insurance to those affected in order to cover their hospitalization costs and the losses incurred (Puri, 2021).

Besides encouraging safety practices during the deliveries, Zomato began an emergency financial initiative called the Rider Relief Fund in April 2020 to support its delivery partners and their families, through which it aimed to raise ₹10 crore. Although it must be noted that this amount would only provide ₹1000 to 100,000 driver partners who have suffered losses during this time. Given the fact that around 90% of the gig workers during the pandemic lost their income, this amount would not be sufficient to compensate for their losses. To the probing question of “Why is Zomato not taking care of their riders by themselves?” Zomato answered, saying it is beyond its financial viability to support its delivery partners (Zomato, 2020). Similar to Uber, this suggests financial survival and profitability are the main goals of these companies, which results in poor treatment and assistance provided to the company’s gig workers during arduous times (wages during this time are probably lower than their productivity, which is a sign of monopsonistic behaviour exerted by the company).

The CEO has explained that jobs as delivery partners offer flexible earning opportunities, keeping in mind that the partners are not working every day (Ranipeta, 2025). Additionally, he has claimed that gig work is a reliable source of secondary income (Anand, 2026), which contradicts the literature review that showed that developing countries have a greater supply of labour that drives gig work to be a primary source of income instead. This suggests that the working conditions of those doing gig work as full-time partners (for Uber too) must be put through unsuitable working conditions, as it is considered that the income from gig work is secondary (Rai, 2026). This is also backed by the working hours required of the delivery partners to earn a sustainable income, which revolve around 6-8 hours, akin to those of working full-time, while these workers do not get social security (Ranipeta, 2025). Unsuitable working conditions in Zomato may also arise from its quick commerce promise of delivery in 10 minutes, as pointed out as a safety concern by various gig worker unions (Vivek, 2026). However, the CEO claims that this promise has not increased pressure or stress on its delivery partners; hence, it does not induce rash driving or increased risk of accidents (Anand, 2026). Regardless, such practices

point out the exploitation of gig workers (sellers of labour) by the companies (buyers of labour), and thus display the implications of their monopsonistic tendencies.

The TGPWA (Telangana Gig and Platform Workers Association) also pointed out that delivery partners do not get paid leave, social security benefits, or guaranteed accident insurance (ET HospitalityWorld January 4, 2026). Other gig work protests have highlighted the need for better working conditions, higher wages, employment status, and social security (Humans of Government Affairs, 2025).

Besides all the concerns raised about the working conditions of delivery partners, Zomato and Blinkit have invested around ₹100 crore in insurance coverage for delivery partners, including accident, medical and maternity insurance (among others), while also offering access to the National Pension Scheme for gig workers (Anand, 2026). The effectiveness of these courses of action has been questioned, considering the scale of gig workers who are working with the company. Along with this, the company has provided 2 days per month of leave as period-rest days for female workers, increasingly displaying the still-improving working conditions of the gig workers associated with the aggregator (Rai, 2026).

Continued existence of monopsonistic tendencies of Uber and Zomato

Uber India

The monopsonistic power increased because the scale of its competitors has become limited over the past few years. Initially, Ola and Uber were competing in the same market space, but slowly Uber seems to have gained a higher market share compared to Ola. BluSmart was a prominent player in this market as well, but due to internal issues within the company and could not continue competing in the market and went out of service. The main competition now is from Rapido, Shoffer, other small government-owned services (Namma Yatri and Bharat Taxi), and recently, VinFast. Overall, this indicates that there are limited players in the rest of the market that haven't achieved the same scale of services and popularity as Uber, eliciting Uber's monopsonistic behaviours.

Another factor that contributes to Uber's continued existence of monopsonistic behaviours is the asymmetric information that exists between the company and its drivers. These emerge as a result of the mechanisms and algorithms of the application that nudge and shape driver behaviour, electronic surveillance, and policies for performance targets. Platform disintermediation plays a huge role in shaping power relations and communication between the drivers and the company itself, where it can be viewed that Uber's drivers are much like a managed labour force, demonstrating the company's power over its drivers. The way the

application works determines the actions and behaviour of its workers, demonstrating the implications of its monopsonistic behaviours (Rosenblat, 2016).

Zomato

Zomato and Swiggy are the two major players that primarily dominate the online food-delivery market in India (with other smaller players) as they together hold a market share greater than 40%. The power that these companies possess over the market puts the delivery partners in a calamitous situation as they are forced to accept the exploitative pay and working conditions (Bajpai, 2023). This can be seen as several workers go on social media to comment on their working conditions. They have pointed out issues such as lack of job security, variable pay (several workers reporting that despite working for 12-14 hours a day, their daily income adds up to around ₹1000), low base pay, and most of all, increasing fuel prices (Sodhi, 2021). Through the continued exertion of power on the workers by reducing wages, breaching contracts, and increasing fuel prices, companies like Zomato continue to display monopsonistic tendencies.

Both companies have gig workers who have reported experiencing practices such as the aggregator cutting off a worker's account on their platform. The lack of job security is an implication of the monopsony power that the companies hold over the supply of the gig labour force (Krishnan, 2026). As the customers of these companies begin to grow and they gain a more concentrated customer base, their control over the gig labour force will continue to increase (as their dependence on the gig workforce reduces).

The increasing use of technology, while it has connected various people to get more jobs, also has negative effects. Due to algorithmic issues and technological glitches, accounts have been deactivated or have become dysfunctional, resulting in workers not being able to work for that particular period of time (Krishnan, 2026). This, although it is not a direct demonstration of the monopsonistic tendencies of the company, contributes to the power they hold over the sellers of labour, hence displaying the continued negative implications of the power.

5. Limitations

A major limitation of this source is that it only relies on secondary sources and data, as the lack and constraints of time, finances, and resources resulted in no primary research being conducted. Therefore, the analysis is based on publicly available information from established sources. The majority of the information used above is based on the companies' official corporate filings and disclosures (which are also submitted to the Securities and Exchange Board of India), providing verified information. This strengthens the authenticity and reliability of the data used in the analysis. Nevertheless, the absence of primary sources limits the ability to use first-hand information and perspectives, which could have contributed to a better understanding of the

working conditions of workers, a better insight into the operations of the companies, and other views of other stakeholders within the monopsonistic structure analysed above.

6. Conclusion & The Way Forward

To conclude, the wage structures, working hours, and working conditions of the gig workers associated with Uber India and Zomato demonstrate and establish the monopsonistic nature of both companies. These companies display their ability to influence the conditions under which gig labour is employed and continues, which contributes to their power over the drivers and delivery partners and establishes the structure of monopsony.

The companies' market strategies appear to have contributed to the preservation of their position, as they have allowed them to appropriately continue or eliminate activities that could potentially increase or usurp their market power. For instance, Uber Eats was discontinued in India as it failed to make a significant impact and generate sufficient returns. On the other hand, Zomato's parent company, Eternal, increased investment in the quick commerce platform, Blinkit, which strengthened the company's position in the rapidly developing Indian market. These decisions indicate the companies' tendency to direct towards profitability and accordingly withdraw from or invest in areas that give them a competitive position.

Additionally, the substantial financial resources available to these companies, whether through investors, parent companies, or accumulated capital, have enabled them to sustain their market presence and respond to competition. In Uber's case, decisions made in response to emerging competition (such as integrating BluSmart's EV fleet and reducing commission fees for autorickshaws to match competition from Namma Yatri) have allowed the company to adapt its operations to maintain a strong position in the Indian market. Consequently, evidence indicates that monopsonistic tendencies are not solely determined by the number of competitors in a market, but can also be reinforced by financial capacity, decision-making, and the ability to respond to rapidly changing market conditions.

Furthermore, the analysis above highlights the treatment of the gig workers with regard to the payment (wage) structure that is variable in nature and often does not provide sufficient income to the gig workers, especially since it is often their primary source of income and fuel costs are rapidly increasing (which further reduces their income), along with working conditions. It has been noted that the workers often need to work 12-14 hours to be able to earn enough for a day, akin to the working hours of a full-time employee, while not having social security, insurance coverage, and other legal, social, and medical protections. These practices are a representation of the implications of the monopsonistic behaviours of the companies towards their gig workers,

establishing that the labour market monopsony in the gig economy has detrimental impacts on the gig workers' wages and working conditions.

Looking ahead, the development of monopsonistic competition, rather than the highly concentrated monopsony, could create more favourable conditions and outcomes for the consumers while maintaining competition among firms. The relatively low barriers to entry in platform-based markets can encourage an increase in emerging firms, which will subsequently increase consumer choice and encourage businesses to improve the quality, convenience, and affordability of their services (such that they are more preferred by the consumers). This market structure would create a mutually beneficial outcome where consumers gain access to better services (at relatively lower prices), while firms are incentivized to innovate and appropriately respond to changing demand.

However, sustaining such competition and structure requires significant financial capacity to overcome the costs of entering, establishing, and ensuring a strong market position can be acquired and maintained, especially within platform markets. Therefore, investment from well-funded private investors, parent companies, and government initiatives could help new and small firms to establish themselves and compete with larger firms. The objective is not to eliminate firms with monopsonistic tendencies, but to ensure that sufficient competition exists to prevent excessive concentration of market power, simultaneously encouraging efficient and beneficial outcomes for all stakeholders.

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