

An in-depth study on the growth of the gig economy in India; It's multifaceted nature with respect to Macro-economic indicators and workers welfare

Eashan Mehra

Pathways World School, Gurgaon (Aravalli, Haryana)

DOI: 10.46609/IJSSER.2026.v11i04.008 URL: <https://doi.org/10.46609/IJSSER.2026.v11i04.008>

Received: 4 April 2026 / Accepted: 16 April 2026 / Published: 20 April 2026

ABSTRACT

An analysis on the Gig economy in India brought out the growing importance of this sector as an able alternative to the unskilled disguised unemployment that exists in the Indian economy, primarily in the agricultural sector. This sector is a boon for unskilled workers, and it has become an important source of income as indicated by frequent Niti Aayog reports. With increased digitalization in rural and semi-urban areas, the demand for these workers have increased exponentially. The paper analyses in detail, the impact of this sector on reducing unemployment in the Indian economy. Would the growth of this sector help in solving India's unemployment and underemployment issue? How important is this sector in utilizing India's demographic dividend? Is this a viable alternative for the disguised unemployed workforce to move from the agricultural sector to the manufacturing informal sector? All the analysis has been substantiated by authentic data primarily extracted from government reports. In conclusion, the government has addressed in early 2026, the social security issues that have risen due to lack of permanent contracts.

Key words: Gig workers, E-Shram portal, Disguised unemployment, Cyclical unemployment, Vulnerable unemployment, E-commerce, digitally enabled marketplace.

1. Introduction:

The "gig economy" is a new age phrase that has been given to indicate a labor market which is characterized by employment that is short term, flexible, and non-contractual. This section of the economy in recent years has been characterized by increasing demand which has been spurred by increasing supply due to the widespread use of the digital and internet platforms.

With the spread of globalization and liberalization since the late 20th century along with the spread of internet and data facilities the world has become a smaller place for all its citizens be

they be producers or consumers. The word ‘gig’ originally came from a music or an entertainment setup that entertained audience in bars or dining places, etc, for a short time. The entertainers were not permanent employees of the place where they were performing. It is from this definition that the present “gig economy” has taken its roots. This economy includes a relationship between employees and employers which does not follow the traditional model of being attached to a single employer. The new employee maybe working for several people can multitask and be a boss of their own time, taking up responsibility for their personal finances and are able to decide their workload. These workers are no longer loyal to one employer and neither do they stick onto a job for stability reasons implies job security, assured increment, health facilities and holidays. These workers are ready to take risk, to follow their own independent path of working with two or more employers at their own convenience. They believe in contractual and freelancing format of work which gives them the freedom to exploit their skills.

Figure 1: Diagrammatic representation of a gig worker



2. The types of Unemployment in the Indian Economy

Open Unemployment is defined as that situation whereby people are willing to work at the prevalent wages but there are no jobs available for them.

[1]. **Disguised Unemployment** is that situation whereby excess labor are working on the fields, without any corresponding output or increase in productivity. This workforce seems as if they are employed but in fact, if they are removed from the workforce, there will be no difference to the

output. This is especially true in the Indian agriculture sector where families leave for the fields each morning and come back at sunset.

[2]. **Under-employment** refers to as the situation in which people work below their potential, in jobs that do not adequately use their maximum potential.

[3]. **Rural Unemployment** is a condition of Joblessness often found in villages/rural geographical locations, due to seasonal agriculture, disguised unemployment, and lack of opportunities. Their inability to find work, further contributes to poverty and lack of diversification in the rural economies. **Urban Unemployment** is a commonly faced challenge, with high occurrences in cities. This is rampant among educated youth, primarily due to rapid migration, slow industrial absorption, skill mismatches, and economic shifts. This challenge is further intensified by higher population growth and existing labor policies.

[4] **Cyclical Unemployment** arises and falls in relation to the business cycle, often occurring during economic slowdowns when demand for goods and services falls, leading to layoffs. In this case, labor forces are reduced because of fluctuations in the economic business cycle.

[5] **Technological Unemployment** is the loss of job opportunities due to innovative production processes and labor-saving organizational solutions. In this case, automations and machines replace human labor, contributing to a reduction in demand for workers.

[6] **Voluntary Unemployment** is a practice in which individuals choose not to work at the existing wage, condition, or designation despite the availability of jobs for them. [7] Other than the previously mentioned causes, voluntary unemployment is also taken into consideration if the individual is self-satisfied with the amount of wage or benefits, they independently receive from their employers. **Involuntary Unemployment** is a situation when people are willing to work at the current wage based on their capabilities but cannot find a suitable job or any source of employment due to lack of demand in the current market conditions. This is a system based problem, rather than a personal choice, the lack of available positions are particularly due to the economic situations in the industry or country.

[8] **Structural Unemployment** is a type of employment that exists due to the difference between the skills of the workforce, availability of opportunities and what the job market demands. This unemployment arises primarily due to technological changes, globalization and any other possible geopolitical world changes.

[9] **Educated Unemployment** refers to as the Joblessness of the educated youth population. The term is used for large amount of people or qualified individuals who are unable to find suitable work opportunities as per their qualification.

Seasonal Unemployment occurs when the workers or laborers are facing lack of demand during seasons in the agricultural/industrial/services cycle. The time frame for this unemployment is often dependent on the need of resources or industries during a particular time frame. Many industries are dependent on agriculture and tourism sector which functions in relation to the responsiveness of the market and to geopolitical situations, many a time leaving workers without jobs.

[10] Regional Unemployment a situation in which specific geographical locations are most affected by unemployment. This type of unemployment is experienced by a region if their unemployment rates are higher than the national average. This is often driven by local economic conditions and structural issues. It is a result of unequal distribution of industries and resources in some regions in comparison to the other. These disparities can also be influenced by factors like poor connectivity, immobility, decline in industries, or a higher concentration of unskilled labor.

[11] Vulnerable Unemployment is the condition, where people work in informal jobs without any clarified contracts, benefits, or security, making their employment status unstable. They are less likely to have formal work arrangements, and are therefore more likely to lack any decent working conditions. Vulnerable employment is often characterized by low-income earnings, reduced productivity and difficult conditions of work that undermine workers' fundamental rights.

Frictional Unemployment is a type of short-term unemployment which occurs when workers are in search for new jobs or are transitioning between two different jobs. This occurs when maximum population is at full employment, and this type of unemployment does not increase in economic shifts like recession.

3. Research Gap and Methodology-

The paper will analyze the impact of the growth of the "Gig economy" in India on achieving macroeconomic indicators like reduction in unemployment, increasing GDP, increasing standard of living, and reduction in inequalities of income. How far would this sector achieve the above while taking care of the social obligations of the workforce? Would this sector effectively employ the independent workforce taking advantage of the demographic dividend? Would it help in increasing participation of India in the global supply value chains?

The methodology adopted would be a mixed method taking both quantitative and qualitative data and analysis into account. The quantitative secondary data would be sourced from authentic sources and qualitative analysis would be used to build the narrative indicated by the available data.

3. Growth of the gig economy in India –

The table and the graph below indicate the increase in the Indian workforce entering the gig economy sector. There has been a continuous rise which indicates the increasing importance of the “gig economy” in India.

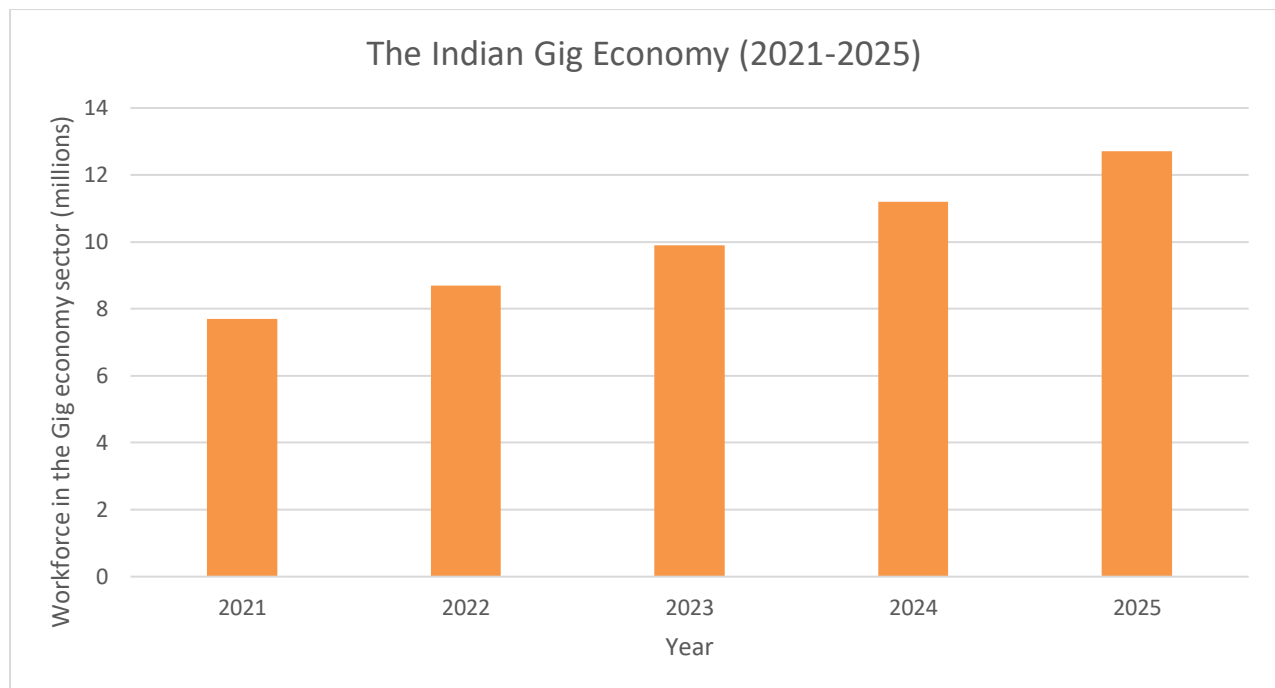
Table 1 - The Indian gig economy from 2021

Year	Workforce in the gig economy sector	% Rise in E-commerce total revenue	% GDP	% Unemployment Rate
2021	7.7 million	33.54%	9.7%	6.38%
2022	8.7 million	0.74%*	7.6%	4.82%
2023	9.9 million	4.94%	9.2%	4.17%
2024	11.2 million	16.35%	6.5%	4.20%
2025	12.7 million	18.83%	6.6%	5.10%

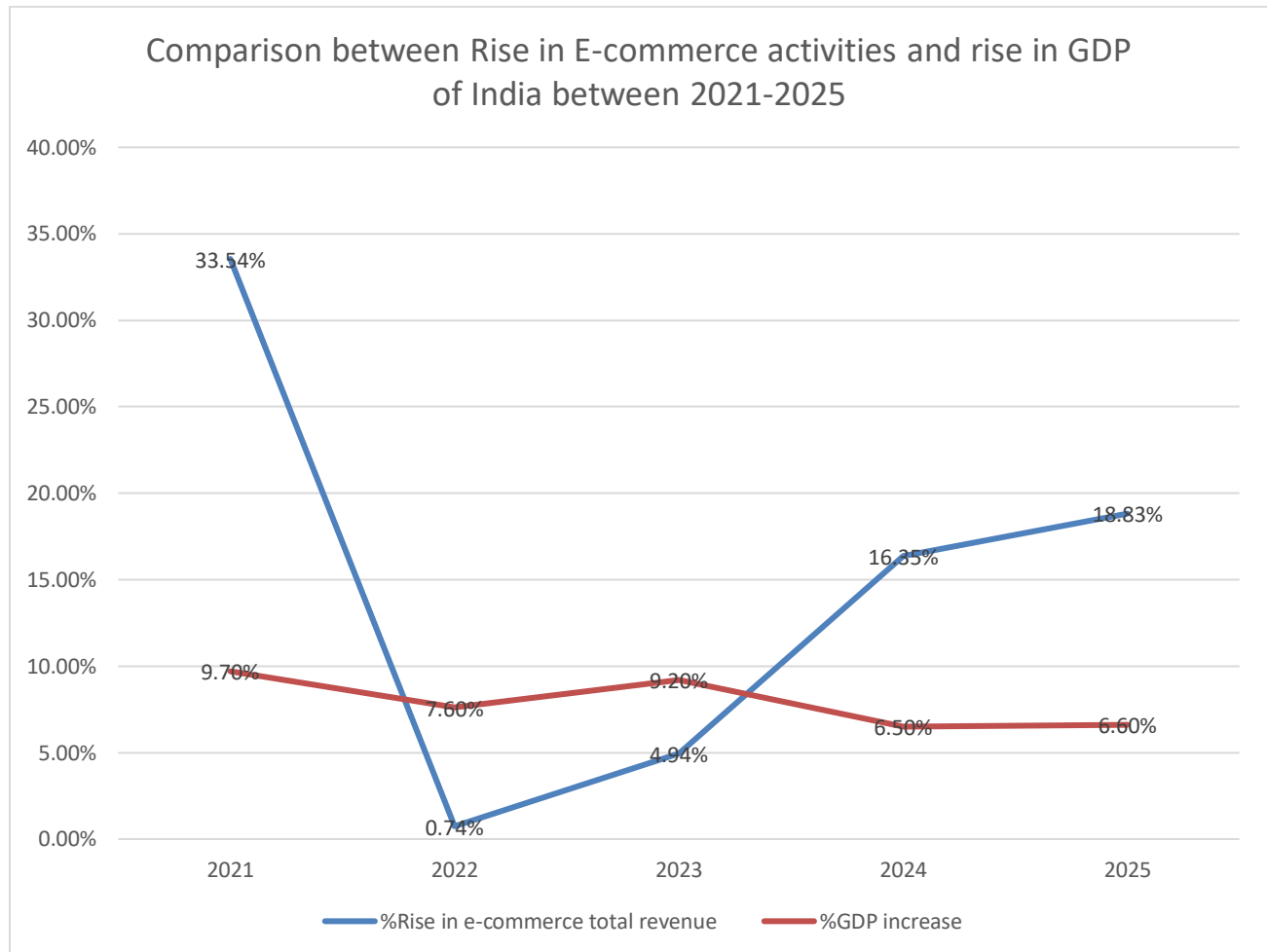
Source- <https://www.statista.com/forecasts/261336/b2c-e-commerce-sales-growth-in-india/>

*Due to the Covid-19 pandemic in India

Graph 1- The Indian Gig Economy (2021-2025)



Graph 2- Comparison of India’s GDP Growth Rate, All-India Unemployment, Rise in E-commerce Activities



The graph and table above show a diagrammatic representation of India’s GDP growth compared to unemployment levels and the growth of e-commerce activity. It clearly indicates that as the economy grows, the demand for e-commerce has increased phenomenally, indicating the importance of the gig economy sector.

3.1) Growth of the Gig economy in the last 5 years and its reasons:

It has been estimated that the growth of this economy is contributing 1.25% to 1.5% of India’s GDP and is expected to grow significantly over the years to come. This will automatically increase the employment potential as the workers that they employ are primarily unskilled but with some basic knowledge on operating the digital space primarily their smartphones. [13]

4) The growth of Swiggy and its impact on the employment potential of gig workers

Swiggy:

Table 2- Summary of Swiggy’s Journey, from a single food order in 2014 to a platform serving millions today.

Year	Achievement
2013	Incorporation of their company in Bengaluru
2014	Launch of food delivery business
2015	First major fundraise
2019	Expansion of food delivery business
2020	Launch of Swiggy Instamart and Swiggy Genie
2021	Launch of Membership Programme- Swiggy One
2022	Acquisition and integration of Swiggy Dineout, Expansion of Swiggy Instamart to cover 25 cities, 400+ dark stores and 8,400+ SKUs
2023	Launch of Swiggy-HDFC Bank co-branded credit-card Acquisition of 100% stake in Lynk Launch of Swiggy Mall now integrated with Instamart
2024	As the membership numbers increased, Swiggy decided to go public with its IPO in November 2024 that enabled them to use the funds generated in expansion of their services.
2025	They launched SNACC which is the provision of cooked food to their customers delivered within 10-15 mins. Swiggy genie shut down.

Swiggy incorporated their company in Bengaluru (2013), starting with launching their food delivery business in 2014. They had their first major fundraise with an amount of 12 crore rupees in 2015 from two major investors. In 2019, Swiggy expanded their food delivery business to cover 500+ cities and launched Swiggy Instamart. In 2023, Swiggy launched Swiggy mall, which is now successfully integrated with Instamart, Swiggy mall is an extension for the

availability of non-grocery products like electronics, stationary, etc. The provision of these products are not through a brick and mortar mall but through the same way that the other products are provided, it is in this context that the logistics company Lynk was merged to provide facilities for all its products. In 2024, Swiggy membership base reached a new high of 5.7 million people, along with public listing (November 2024) . Adding on to the list, they also launched Swiggy Scenes (events and experience) the same year. Lastly, in 2025, Swiggy finally surpassed 120 million transacted users on their platform, with which they launched SNACC and within the app, new features like Swiggy Giftables – which is an AI powered suggestion service based on the user preference and popularity for instant gifting.

As the Swiggy platform expanded from being just a delivery application for provision of food from eating places to the consumer it has added to its basket, the provision of groceries and other daily used items under the umbrella of Swiggy Instamart. It has further developed various other applications in helping people with instant gifting, buying of consumer durable goods, and providing an option for provision of fully cooked snacks (within 15 minutes) to their doorstep. [14]

Financial Year 2024-2025: (Swiggy)

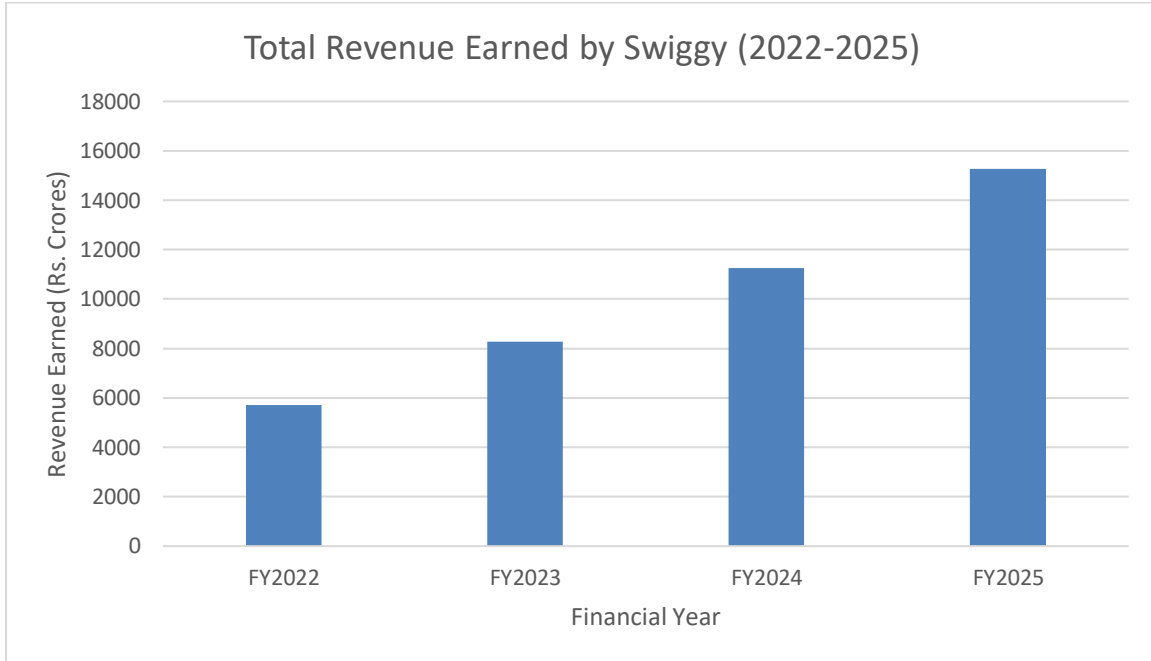
Table 3- Financial Statement of Swiggy (2022-2025)

Year	Total revenue (Rs. Crore)	Net profit (Rs. Crore)	Gig workers employed
FY 2022	5,705	-3629	**
FY2023	8,265	-4,179	3,50,280
FY2024	11,247	-2,350	4,57,249
FY2025	15,277	-3,117	5,40,000

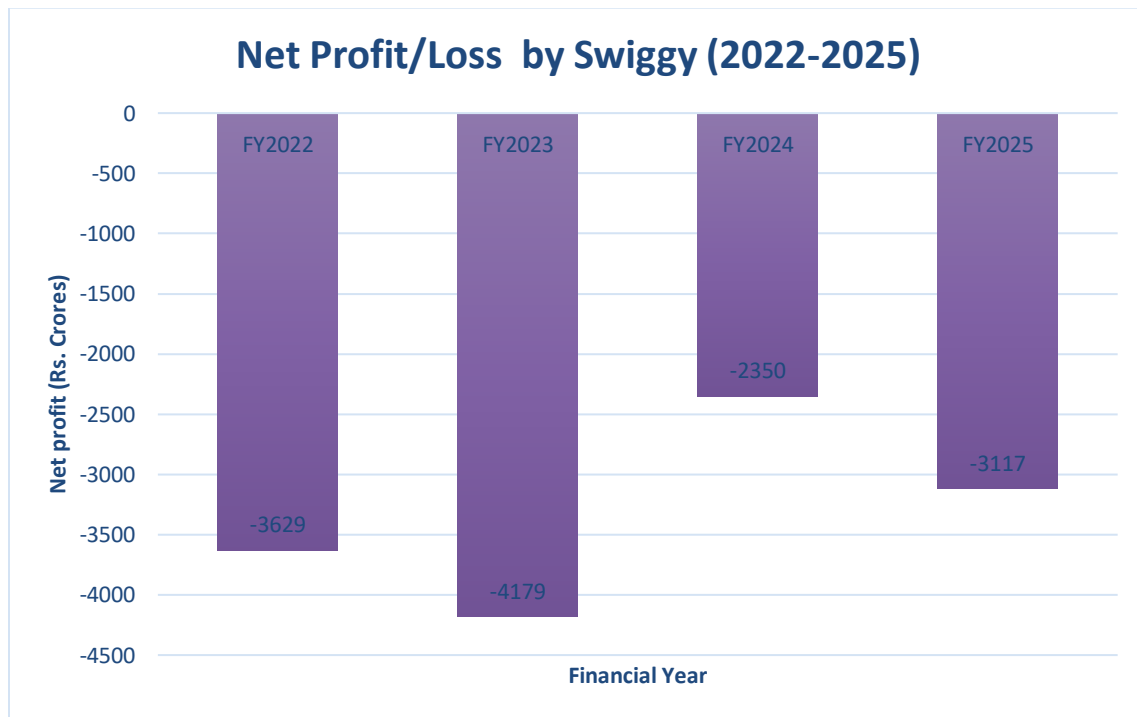
** These figures are not available, because the company decided to go for an IPO (Initial public offering) in 2024 and thus, they had to submit the Financials to SEBI.

Table 3 indicates an interesting trend where the revenue is increasing manifold but at the same time the company is making losses. Though the losses seem to be decreasing, they still have not achieved breakeven position. The share value has ranged from a high of Rs.617 and a low of Rs.297 (for a Rs.1 share). There has been no dividend which has been declared as the company is still making losses.

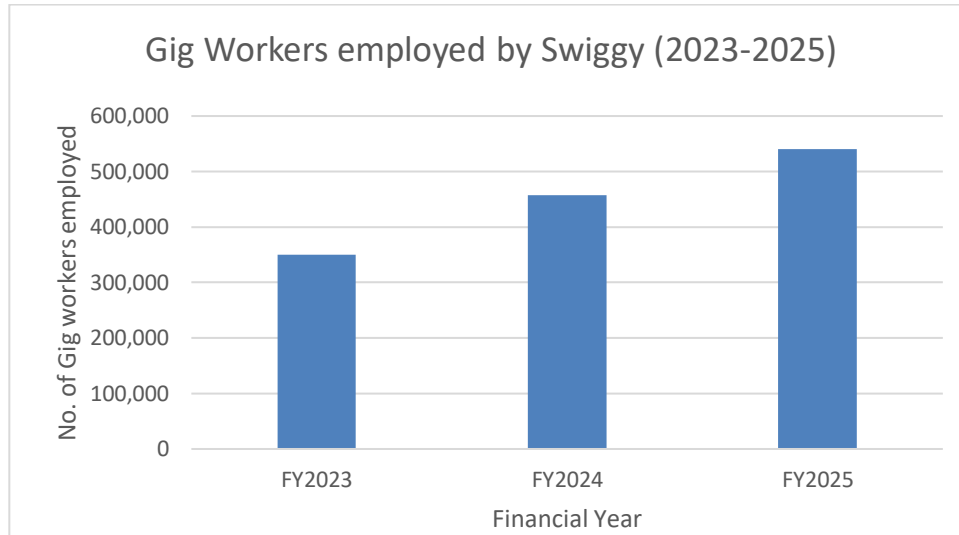
Graph 3: Total Revenue earned by Swiggy (2022-2025)



Graph 4: Net Profit/Loss statement by Swiggy (2022-2025)



Graph 5- Employment figures by Swiggy (2023-2025)



The above graphs are representing table 3 but due to the large numbers, it was better depicted in three separate graphs. These indicate that though the revenue has been increasing, the losses have not been wiped out. Though, over the years they have reduced. The number of gig workers that have been employed are on the rise continuously.

If the numbers are divided under various heads, then the revenue earned from the following sectors are:

The table above also indicates the extent of “Gig workers employed” by the company which have been increasing consistently. The main business is delivery where the company prefers Gig workers who are essentially contractual and work on daily wages with additional incentives given to them in the form of tips that the consumers might provide. The extent of their earning depends upon the number of hours they work.

5. Analysis of the Impact of the Gig Economy on India’s Unemployment (2021-2025)

In India, digital platforms like Swiggy, Zomato and Uber have significantly employed many unskilled workers. These have been employed in the rising *gig economy sector*. The projections of the employment in this sector is expected to rise to **23.5 million by 2029–30 (Niti-Aayog document-2022)**

This seems to be a viable alternative to the regular system of employment in the Indian economy as this sector employs primarily unskilled workers who have no other area, skill or opportunity for earning.

Table 4- Gig workforce skill wise distribution (2020) [2]

Category	Percentage
Low Skilled jobs	31%
Medium Skilled jobs	47%
High Skilled jobs	22%

Source- NITI Aayog document (2020)

The above figure indicates the areas in which gig workers have been employed. Maximum employment is in medium skilled and low skilled jobs. This suits the current structure of the Indian Economy to employ its workforce in newer **digitally enabled marketplace for short-term contracts or freelance work**. This spans diverse sectors from technology, retail, transportation, and overall logistics. This has been corroborated by the study of “Swiggy” that has been indicated above.

Table 5: Projected GDP(Crores) and Employment(crores) of India from 2011-2024

Year	Employment (Crores)	GDP (Crores)
2011-12	46.99	8736329
2012-13	46.74	9213017
2013-14	46.49	9801370
2014-15	46.24	10527674
2015-16	46.00	11369493
2016-17	45.75	12308193
2017-18	45.50	13144582
2018-19	46.75	14003316
2019-20	51.10	14569268
2020-21	51.66	13512740
2021-22	52.22	14323504
2022-23	52.79	15254532
2023-24	53.37	16322349

Source- NITI Aayog document (2020)

The above authentic Government stated table clearly indicates the impact of the rising Gig workers, as part of total employment in the economy, along with the increasing GDP. The higher the employment levels that the economy witnesses, the greater is the impact on the economy’s

GDP levels. Gig workers being a new aspect of employment generation will increase percentage levels of employment in the economy.

If earlier 45% of the workforce was employed in agriculture, due to inadequate job opportunities in any other sector. The opening up of the digitally enabled Gig-economy would enhance reaching higher levels of employment and thus increasing GDP.

Table 6: Distribution of different types of employment status of Indian workforce from 2011-2020

Year	UPS*(Usual principal status)		USS**(Usual subsidiary status)		UPSS***(Usual principle subsidiary status) = USS+UPS	
	No. of gig workers	Share of gig workers	No. of gig workers	Share of gig workers	No. of gig workers	Share of gig workers
2011-12	24.5	0.57	0.7	0.18	25.2	0.54
2017-18	52.1	1.18	0.5	0.40	52.6	1.16
2018-19	53.4	1.18	0.5	0.28	53.9	1.15
2019-20	67.0	1.37	1.1	0.49	68.0	1.33

Source: NITI Aayog Document

*This is a labor force measurement that defines a person’s main activity over 365 days before the survey. If they have spent at least 183 days or 6 months in a job, it is labelled as UPS.

**This means that a person has been engaged in an economic activity for 30+ days in a year

***These are individuals whose work is based on the principal status and any additional work for 30+ days

The above two tables indicate the increasing role of the Gig economy in India’s employment potential. The aim of the economy to reach higher levels now seems to be dependent on the growth of the Gig economy. The current gig workforce size in 2024-2025 would account for over 2% (12 million workers) of the total workforce (livemint-25th July 2025), this has increased from 7.7 million gig workers in 2021. In all types of definitions of employment there has been an increasing role of gig workers.

6. Impact of increasing opportunity for women employment due to the Growing gig economy

Female participation is extremely important for an economy's GDP as their inclusion would enhance innovation and financial stability helping the Indian economy reaching goals of (\$5 trillion) economy. With the growth of the gig economy, there has been an improvement in the female labor force participation rate, though it is still below the male participation rate in the Indian economy and the Global average. With the Right to Education Act being implemented there has been an increase in the number of educated women in the population. Given these increasing figures, it becomes extremely essential to ensure their participation in achieving "Viksit Bharat". The gig economy provides the opportunity to achieve these milestones. The digital economy provides an opportunity for women to work in various call centers and helpline services increasing their employment.

7. Limitations

The growth of the gig economy in India has been phenomenal, and this has led to an increasing number of both male and female workforce being employed. The main limitations is in data collection and authentic figures for the type of jobs and gender differentiations in the economy in this sector. The private companies which have employed these workers are not all listed companies, indicating that their revenue sales and profit figures are not clearly known, nor have been audited.

The problems that have risen in this economy is the social welfare obligations of these workers by the companies. In India this is severely lacking. The workers are made to spend large number of hours without adequate remuneration nor social welfare norms like medical, leave(sick leave, casual leave). The jobs are contractual and there is no job security.

These issues are being addressed by the government of India.

8. Conclusion and the Way ahead:

The analysis of authentic data obtained from various government reports have clearly indicated the trend towards:

- Movement towards increasing employment in the gig economy sector
- An able alternative to disguised unemployment that exists in the agricultural sector
- The gig economy is an area which ably employs unskilled workers
- The increasing reach of the digital economy and the availability of cheap smartphones have made possible the growth of this sector

The above is clearly being substantiated by analyzing the growth path of the Swiggy platform which is primarily a digitally based online unicorn company.

The way forward in this sector is that the government should safeguard the gig employees from exploitation by the employers in terms of social security facilities. Policies should be adopted and implemented that favor the employees and provide them with congenial working conditions, reasonable working hours and health facilities. The employers should not be allowed to take advantage of the unemployment situation in India and should not put unreasonable demands with respect to delivering in the shortest period, putting their lives at stake to earn extra income. This requires stringent laws with stringent implementation, such that the lives of these workers are protected. One of the laws which has been implemented early this year(2026) was that the gig economy became a part of the E-Shram portal which means that their contractual labor had to be protected by the company for life, disability, health, maternity and old age.

Bibliography

1. Sharma, A., Kumar, R., Singh, R., Kumar, V., & Rani, R. (2025). Gig economy, decent work and sustainable development goals (SDGs): A study of India. *Sustainable Futures*, 8(1), Article 100366. <https://doi.org/10.1016/j.sfr.2025.100366>
2. Investopedia. (n.d.). *Gig economy*. <https://www.investopedia.com/terms/g/gig-economy.asp>
3. Wikipedia contributors. (2026, March 1). Gig worker. In *Wikipedia*. https://en.wikipedia.org/wiki/Gig_worker
4. Sathishkanna. N. et.al., Economic impact of growing gig economy Financial Times. (2021, November 12). *Financial Times*. <https://www.ft.com/content/f7f0d2f9-06c1-4055-9ccd-eed59f73ff84>
5. Yadhuvanshi. T., et.al . Gig Economy in India: Transforming Employment Dynamics in the Digital Age. *Journal of Interdisciplinary Educational Research*. <https://jier.org/index.php/journal/article/download/2475/2039/4384>
6. Hussein. F., Online gig work is growing rapidly, but workers lack job protections Associated Press. (2023, October 10). <https://apnews.com/article/40b81a789fd5f0fb366e83f0223d832f>
7. Corporate Finance Institute. (n.d.). *Cyclical unemployment*. <https://corporatefinanceinstitute.com/resources/economics/cyclical-unemployment/>

8. Kucuk, M., & Tumen, S. (2023). Gig economy, unemployment insurance, and aggregate job turnover. *Journal of Monetary Economics*, 157, Article 102923. <https://doi.org/10.1016/j.jmoneco.2023.04.006>
9. Cambridge University Press. (n.d.). Voluntary unemployment. In *Cambridge English dictionary*. <https://dictionary.cambridge.org/dictionary/english/voluntary-unemployment>
10. Bairagya. I., *Gig economy in India* [Working paper No. 343]. Institute for Social and Economic Change. (2023). <https://www.isec.ac.in/wp-content/uploads/2023/07/WP-343-Indrajit-Bairagya-Final.pdf>
11. United Nations Women. (n.d.). *Indicator of vulnerable employment*. https://www.un.org/en/development/desa/population/migration/events/other/retreat/docs/UN%20WOMEN_Indicator_vulnerable_employment.pdf
12. Khurana. S., et al. *India's booming gig and platform economy: Perspectives, opportunities, and the way forward* NITI Aayog. (2022, June 25). [Final report]. https://www.niti.gov.in/sites/default/files/2022-06/25th_June_Final_Report_27062022.pdf
13. IBEF., India's gig economy could add 90 mn jobs enabled by large multinationals (2024, November 29) <https://www.ibef.org/news/india-s-gig-economy-could-add-90-mn-jobs-enabled-by-large-multinationals>
14. Swiggy. (2025). *Swiggy annual report FY 2024-25*. <https://www.swiggy.com/corporate/wp-content/uploads/2025/07/Swiggy-Annual-Report-FY-2024-25.pdf>

References (Additional Sources)

1. Fok. E., Food aggregator Swiggy raises Rs 105 crore from Saif Partners, *Economic Times*. (2015, September 11) <https://economictimes.indiatimes.com/small-biz/startups/food-aggregator-swiggy-raises-rs-105-crore-from-saif-partners-others/articleshow/47610621.cms?from=mdr>
2. ETtech., Swiggy adds about 2000 employees in FY25. *Economic Times*. (2025, October 15). <https://economictimes.indiatimes.com/tech/technology/swiggy-adds-about-2000-employees-in-fy25/articleshow/122979198.cms?from=mdr>