

Expansion of Gig and Platform Economy in India

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Abstract: India having a huge population and favourable age distribution and is one of the uprising economic forces of the world. Due to its limitation in Employment generation in conventional sector, the workforce is changing their path to gig-works from conventional works. The gig works are the temporary paid jobs done by the workers part time or full. Over the past decade, the extent of gig economy is rising day by day. The gig works are helping the workers to get an alternative option of conventional works. It also helps the marginal workers like women, person with disability to get works according to their own conditions like suitable part-time jobs for housewives etc. As a new-age phenomenon, the gig works are expanding its way due to its higher elasticity of works and making its way to almost all the sectors of the economy leading to economic growth.

Keywords: Age distribution, Conventional sector, Gig works, Marginal workers, Platform workers, Expansion, Economic growth

INTRODUCTION

In the 2000's, the digital transformation in all the nations of the world is leading to a new generation of works based on this digital system in all the economy as well as globally. These works are termed as gig works, which means a paid temporary job. A gig economy can be defined as an economy comprises of the gig workers who are working as freelancers doing freelance or temporary works, especially without any traditional and formal employment arrangement or contract. In this case their works are based on "on demand" i.e. if there is demand for the work, gig workers will get work and will be paid for the same. For example an Uber driver gets his payment when the demand for a drive rises. Same goes with the data entry operator registered in INDEED or in LINKEDIN .These are some examples of gig works. In day to day life, we can see other gig workers like Swiggy, Zomato, Ola, Uber etc. Gig workers can be broadly divided into two heads -Platform workers and Non-platform workers. When the part time or gig workers join some digital platforms like software apps, website etc. they are called platform workers. Here we can cite the examples of Swiggy and Zomato and other workers who get their work via an app or a website. The Non-platform workers

are those who are not engaged in a digital platform but provides temporary services like casual wage-earning labor for a day, half day etc. or an own account workers in the traditional sectors of an economy. Though Platform and Non-platform works are of informal nature but effects the growth and income of a country. India having a benefit of demographic dividend with World's youngest population ranging from 15-64years and a large workforce stepping its way towards participation in global gig economy. In real situation, we can see that a lot of people in India are working as gig workers, which is an easily available option for the youth as an employment opportunity. Developing state of India regarding usage of required technology such as widespread use of smart phones, computers and internet etc. are leading India to be an unstoppable force in this global trend. As a positive impact of Globalization and higher technological uses the country is becoming digitally literate stage where a larger proportion of the population are digitally literate. Advancement of the country in digital sector is also fueled up by some government schemes like Digital India According to NITI Aayog ,there were 6.8 million gig workers in 2019-20 forming 1.3% of total workforce in India .Whereas in 2020-

21,7.7million workers are engaged in this sector showing an increasing trend in participating in gig works. Keeping an eye to this trend an estimation is projected that it will rise to 23.5million forming 4.1% of workforce in India by 2029-30. The gig workers are found in almost all the sectors of the country. According to NITI Aayog's report, 2.7million gig workers were engaged in Retail Trade and about 1.3million were engaged in transportation sector. Whereas about 0.6million were in Manufacturing and 0.6million in finance and insurance sector. The retail sector saw an increase of 1.5 million during the period of 2011-13to 2019-20. The transportation sector and the manufacturing sector saw an expansion of about 0.8 and 0.4 million respectively during the same time span. So it can be concluded that construction, manufacturing, retail, transportation and logistics are the star sector for creating "gigable" jobs. These sectors are together expected to create over 70millions of gigable jobs in future (BCG and Michael & Susan Dell Foundation, 2021) The current estimation for gig workers are 8 to 18 million, which is expected to increase 90million by the next decade (Tiwari, Ram & Roy, 2019; BCG and Michael & Susan Dell Foundation, 2021).Hence it expected by the next decade that the gig economy in India can see US250 billion transaction at 1.25%of the GDP.

METHODOLOGY

As we have mentioned that the gig works are informal in nature. In India, there is no accurate source of data about the gig works

as they are expansive in nature and their estimation is not easy. Hence the study is based on the data from the secondary sources .The study aims at collecting and organizing the available data on gig works in India and study the growth pattern of gig works in India.

OBJECTIVE OF THE STUDY

The study aims at discussing the relevance of gig and platform works in the perspective of Indian economy where rate of unemployment is quite high and rising day by day. In this circumstances how gig and platform works are making its place and rising as an alternative option for generating and providing employment to the unemployed is a matter of study. In this article, It is explained how the size of the economy is increasing and how it is currently working as a tool of unemployment eradication

DISCUSSION

Availability of gig and platform works due to digitization of India is shaping its economy in a new mold where its workforce is changing its face by engaging and shifting from the conventional sector to the new normal gig economy. As a new-age phenomenon, the gig works and the platform works are contributing to the rise of GDP and their contribution is also increasing. It can be explained with the help of a table.

Table-1: Number of Gig workers using principle and subsidiary status.

Year	No. of gig workers (UPS)	No. of gig workers (USS)	Total gig workers (UPSSS)
2011-12	24.5	0.7	25.2
2017-18	52.1	0.5	52.6
2018-19	53.4	0.5	53.9
2019-20	67.0	1.1	68.0

(Source: India's Booming gig and platform economy, 25th June Finance Report, 2022, NITI Aayog)

During the year of 2011-12, number of workers using principle status (workers who spends majority time of the year as gig worker) are 24.5lakhs and that of worker using subsidiary status (workers who spends a short period of the year as a gig worker) are 0.7 lakh. The total number of workers are 25.2lakhs using both the status. Similarly in 2017-18, the number of workers using both the status increased to 52.6 lakh comprising of 52.1lakh workers with principle status and 0.5lakh workers using subsidiary status. The same uprising trend can be traced in the following years such as in 2018-19,the total number of gig workers are 53.9lakh where principle status workers

increased to 53.4lakhs and number of workers in subsidiary status are 0.5lakhs.In 2019-20,the principal status workers increased to 67 lakhs and subsidiary status workers also increased to 1.1lakh.During the period of 2011-20,It can be seen that gig and platform economy showed an excellent growth from 25.2lakhs to 68.0lakhs using both statuses. While principle gig workers grew tremendously from 24.5lakhs to 67 lakhs during a decade only. It can be seen from the above discussion that the number of workers are rising tremendously day by day and hence its share in total workforce is also increasing .It can be explained with the help of a table itself.

Table-2: Share of principle and subsidiary workers in total Gig workers

Year	Share of UPS workers	Share of USS workers	Share of total gig workers
2011-12	0.57	0.18	0.54
2017-18	1.18	0.40	1.16
2018-19	1.18	0.28	1.15
2019-20	1.37	0.49	1.33

(Source: India’s Booming gig and platform economy, 25th June Finance Report, 2022, NITI Aayog)

In the above table, it can be seen that share of the Using principle status gig workers is 0.57%in total workforce of the economy while Using subsidiary status workers holds 0.18%share of the total workforce. During that year the total share is 0.54%. In the following years it increases further more. In 2017-18, share of UPS workers increased to 1.18% and USS workers increased to 0.40.The total share increased to 1.16%in 2017-18.Again in 2018-19 the share of UPS workers remained same as of the last year but the same for USS workers fall to 0.28% and the overall share of the gig workers fall by 0.01%in that year. In the following year the share of the USS workers increased to 1.37% and that of USS increased to 0.49.Total share of the gig workers increased to 1.33%. During the years, it is been noticed that the total share of gig workers increased from 0.54to 1.33 percent showing that employment in this

sector is increasing day by day. The increase in the share of gig workers in the total workforce is supported by the elasticity of employment in the gig work sector. It can be presented in table-3.

The elasticity of gig work employment is positive as well as more than all employment elasticity which shows a greater demand for gig-works and also shows a profitable and favorable conversion of conventional employment to gig-work employment. In 2011-12, the growth of gig economy is 13.030% and overall GDP growth is 7.046% and the elasticity of gig-work is about double of the overall employment level where gig work elasticity is 1.848 and overall employment elasticity is -0.076.Following the same pattern, from 2017-18 to 2019-20, the overall employment elasticity is 1.131 and the gig-work elasticity is double i.e. 2.604 (Table-3)

Table -3: Gig work Elasticity

Year	Gig Economy Growth	GDP Growth	Gig Work Elasticity	All Employment Elasticity
2011-12 To 2017-18	13.020	7.046	1.848	-0.076
2017-18 To 2019-20	13.750	5.280	2.604	1.131

(Source: India's Booming gig and platform economy, 25th June Finance Report, 2022, NITI Aayog)

The gig workers are engaged in both organized and unorganized sector. The organized sector is that sector of the economy which follows government rules and regulation, where jobs are consistent and workers have guaranteed works and monthly payment. Hence the organized sector is accountable in nature. On the other hand the unorganized sector does not follow government guidelines and jobs under unorganized sectors have no guarantee.

The gig workers are engaged in both the sectors. Details about the fact can be presented in a tabular manner (table-4).

From the table it can be seen that in 2011-12, a greater section of the gig workers are engaged in unorganized sector

i.e. 74.1% while in organized sector it is only one fourth of the total workers i.e. 25.9%. Following the same trend in 2017-18, again a greater section (69.4%) of the workers is engaged in unorganized sector. On the other hand 30.6% of workers are engaged in the organized sector. Similarly in 2018-19, engagement of organized sector increased over the year and it increased to 35.7% and Unorganized sector's workers reduced to 64.3%. Further in 2019-20, the engagement of gig workers increased in organized sector and a fall in unorganized sector was noticed. In other words, it can be stated that the shifting of workers from unorganized to organized is recorded over the decade. (Table-4)

Table-4: percentage of gig workers in organized and unorganized sectors.

Year	% of gig-workers in Organized Sector	% of gig workers in unorganized sector	Total
2011-12	25.9	74.1	100
2017-18	30.6	69.4	100
2018-19	35.7	64.3	100
2019-20	37.6	62.4	100

(Source: India's Booming gig and platform economy, 25th June Finance Report, 2022, NITI Aayog)

CONCLUSION

The objective of the study is to emphasize the growing periphery of the gig works and its relevance in Indian economy where rate of unemployment is 7.8% in March, 2023 (The economic Times, 1st April, 2023) and employment creation is limited due to its conventional nature. In this circumstances, gig work is rising as an alternative option and may be carried out further with its flexible nature to provide employment to a large

number of unemployed as well as marginal workers. Marginal workers have limited opportunity in the conventional work sector where they cannot manage time and ability. In this case gig work enables them to work according to their ability as well as time and earn some monetary benefit. Hence the importance of Gig work in the recent times is so important that Gig work platforms are growing rapidly over the whole world.

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