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POLICY BRIEF - 73

Governance of Gig Platform-Economy in Metro Cities of India: Precarity, Aspirations and Policy Framework

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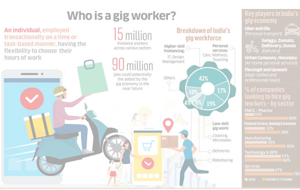


1. Introduction

India's urban labour landscape is undergoing a dramatic transformation driven by digitalisation and platform-based economic models. Often heralded as a cornerstone of the fourth Industrial Revolution, the **gig economy**—particularly the **platform economy**— has grown rapidly, disrupting traditional employment structures and offering flexibility to millions. However, this disruption also raises concerns about **informality, precarity, and lack of social security**, especially in urban contexts.

2. Scale and Trends

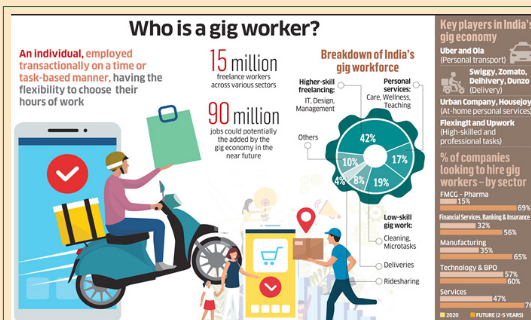
- India accounts for **8% of global gig platforms,** second only to the U.S.
- As per NITI Aayog (2022), the **gig workforce** is projected to grow from **7.7 million (2020) to 23.5 million by 2029-30.**
- The **platform-based workforce** is growing rapidly in urban centres like Bengaluru, which alone employs around **200,000 gig workers** in firms such as Swiggy, Dunzo, and Zomato.
- The gig economy is estimated to contribute **$250** billion in transactions over the next decade (1.25% of India's GDP).

3. What is a Gig Worker?

As per the Niti Aayog (2022) report, "Those engaged in livelihoods outside the traditional employer-employee arrangement" are defined as gig-workers. They fall into two general categories: platform-based workers and non-platform-based workers. People whose work relies on digital platforms or online software applications are known as platform workers, although they work either part-time or full-time. Non-platform gig workers are typically own-account and casual wage workers in traditional industries. Gig-based jobs are flexible, temporary, and mostly created by digital networks. According to official estimates, there are 200,000 gig workers in Bengaluru alone who work for Dunzo, Swiggy, Zomato, and Blinkit, and the number is growing daily.

As reported by NITI Aayog (2022) and IBEF (2022), in India, there are already 7.7 million gig-workers, and by 2029-2030, that number is projected to rise to 2.35 crore (23.5 million). By 2026, there will be one billion smartphone users in India (Jayaram, 2022). Another estimate predicts that by 2025, there will be 350 million gig jobs in India, or 23% of the workforce. This presents a big opportunity for job seekers to take advantage of and adapt to the changing nature of employment. According to ASSOCHAM research, the gig economy is expected to reach a volume of $455 billion by 2023, growing at a CAGR of 17%.

The gig economy comprises freelancers, delivery partners, self-employed individuals, online platform workers, and other temporary contractual workers. However, freelancers, who do not use platforms, typically earn casual wages and work on their own accounts in traditional industries, yet continue as part-time gig employees (Manyika *et al,* 2016). Gig employment is flexible, transient, and primarily involves jobs obtained through digital networks. In Bengaluru alone, there are reportedly 200,000 gig labourers hired by Dunzo, Swiggy, Zomato, and Blinkit, and the number is increasing every day.



Source: Deccan Herald (2021)

4. Key Drivers of Gig-Platform Economy

Some of the main factors responsible for the growth of the gig economy in India are economic liberalisation, the digital revolution, the growth of e-commerce (retail), and the increase in mobile and internet usage.

- Proliferation of **smartphones** and **internet access** (projected 1 billion users by 2026).
- Growth of **e-commerce and startups** is driving demand for contract-based work.

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- **Millennials and migrants** attracted by flexibility, autonomy, and low entry barriers.

5. Core Challenges and Vulnerabilities

Despite its expansion, the gig economy exposes workers to:

- **Lack of formal recognition** and workplace entitlements.
- **Income volatility,** especially post-COVID-19. (E.g., Weekly earnings dropped from ₹12,000–₹15,000 to ₹5,000–₹7,000).
- **No social security** benefits like EPF, pensions, or health insurance.
- **Gendered barriers** and **digital exclusion** among marginalised groups.
- Mismatch between **skills** and **job requirements** in urban informal sectors.
- **Algorithmic control** and reduced **bargaining power** of workers.

6. Policy Landscape and Gaps

National Level:

- **Code on Social Security (2020):**
  - Provisions for life and accident insurance, health and maternity care, old-age protection.
  - Aggregators to contribute **1–2% of annual turnover,** capped at **5% of payouts to gig workers.**
  - Proposed that the **National Social Security Board** design schemes for gig/platform workers.

State-Level Initiatives:

- **Rajasthan** passed the **Platform-Based Gig Workers (Registration and Welfare) Act, 2023,** including:
  - Unique worker IDs and welfare board.
  - **CTIMS** to monitor payment flows.
- **Karnataka** proposed:
  - The Karnataka Platform Based Gig Workers (Social Security and Welfare) Act, 2025, a law has been passed in Karnataka to create a welfare framework for gig and platform workers. **₹4 lakh insurance coverage** and a **welfare board** (promised in electoral campaigns but yet to materialise).
- **Telangana** and others are working on **minimum wages** and **health benefit** schemes.

Gap: Weak enforcement, electoral populism without long-term follow-through, and lack of nationwide coordination.

Key Findings

a. Demographic Factors

- The result from the study shows that the majority of delivery partners or gig-platform workers are below the age of 35 years. Overall, workers who engage in non-traditional work, such as ‘gig’ tasks and platform work, are a younger cohort than traditional workers. Youngsters are increasingly participating in the gig-platform economy, and are at the forefront of the gig-platform economy revolution in India.
- Gig employment, on the other hand, particularly low-skilled app-based delivery gigs, are significantly less likely to have graduates, yet are not dependent on college credentials. To put it another way, education does not prevent the undereducated or uneducated from working on gig platforms.
- The demographic distinction in caste composition indicates how gig-platform work accommodates a substantial caste-based minority population by enabling income opportunities in metro cities like Bengaluru. Another feature is that there is no entry barrier as far as joining app-based jobs is concerned. The survey reveals that 59 per cent of them are unmarried, while 41 per cent are married. Not much difference can be attributed between married and unmarried individuals opting to take up gig jobs.

b. Emergence of ‘New Migrants’

- A majority of them (66 per cent) are from northern parts of Karnataka (within Karnataka), and only 20 per cent are from Bengaluru, and nearly 14 per cent are from other states (outside Karnataka) of India.
- Bengaluru is the third most populous city, after New Delhi, Mumbai, and Kolkata. Especially in the food delivery and retail delivery sector, gig-platform workers are composed of ‘new migrants’. The gig-platform workers joined the job at different points in time. But the majority of them joined recently (just one year ago).
- These migrants are either undereducated or uneducated cohorts in search of quick entry into the labour market, such as on gig platforms. Usually, gig platforms such as Zomato and Swiggy provide job opportunities without posing barriers found in traditional employment.

c. Social Networks for Present Job

A majority of them (65 per cent) relied on friends to access information about gig jobs, followed by job advertisements (22 per cent), a few based on family relatives (6 per cent), and a few others relied on co-workers (3 per cent) to join gig jobs. These social networks involve building relationships, establishing trust, and developing a robust support system.

d. Previous Employment

- As regards their previous employment, many were employed in a wide range of occupations such as daily wage earners, self-employed (petty business), private jobs, the garment sector, street vending and hawkers, and office work.

e. Present Employment

- Majority of the respondents work full-time (89 per cent) during the day, as compared to those who work part-time (only 12 per cent).

f. Willingness to Continue and Job Satisfaction

It is observed that the majority (79 per cent) show a willingness to continue in their present gig job, and others (21 per cent) would like to discontinue the food delivery industry as soon as possible if alternative jobs are available in other industries. Especially, those who wished to continue for a year or less (30%) stated that gig- platform jobs were not their permanent career option, but would like to continue unless properly settled jobs were available.

Comparatively, a majority (78 per cent) show satisfaction, while others (almost 22 per cent) are not satisfied with the present job conditions. Another motivation to engage in gigs for 6-7 days is higher incentives paid during weekends. To reach the targeted income per week, the gig delivery workers usually prefer to work 6-7 days a week, which often requires 'unrealistic and gruelling' work.

g. Working Conditions & Income Profile

The gig economy and the formal-informal divide are closely related. These recent changes in Indian cities have contributed to a growing "informalisation" in terms of a lack of stable employment and income, as well as an increase in "vulnerability" and economic inequality, which has weakened the position of labour. Allocation of gig-platform work is unpredictable and completely monitored by platform work algorithms. As they log in for the day, their work schedule, such as rides, kms, and price is tracked, fixed and monitored by the companies through algorithms.

One of the chief characteristics of gig-platform workers is that they are referred to as 'delivery partners', 'independent contractors', and not employees[2] in the traditional sense. So, delivery partners work for their employers based on the login hours and the number of tasks/rides performed for a particular day. Gig-platform worker often has unpredictable incomes; the number of rides or tasks per day dictates the income earned for that particular day. In the study, nearly 89 per cent of them are working full-time as delivery partners, and their gig-platform jobs are the primary source of income.

A delivery partner puts in around 10 to 12 hours of work per day to earn both daily earnings plus incentives. More significantly, workers have to adhere to the price and incentive structures determined by the platform. Daily, delivery partners face multiple issues during their tasks/rides for which they usually contact the company's call centres – a redressal mechanism. Some of the contributing factors to long working hours are unpredictable income and incentives that drive gig-platform workers to put in long working hours, especially during weekends and special festive occasions. In other words, long hours and compulsory workdays, often inadequately incentivised, are common in gig jobs.

Many gig-workers who have more than 3 years of experience have reported changes in the payment per ride/task. Additionally, incentives include peak time surge charges, payments made for higher customer ratings, financial rewards for referring recruits and payments made as customer tips and so on. Gig-platform workers usually do not receive payments for additional expenditures incurred for fuel (petrol & diesel), food charges, and other miscellaneous expenses on a daily basis. Besides, they incur expenditure on mobile data (of Rs 300 per week) and vehicle service every week. These expenses have to be deducted from their regular earning. In other words, platforms can maintain agility by shifting the cost of capital assets and operating expenses, like fuel, internet, or energy, to the workforce, enhancing revenue and increasing productivity by shifting risks and costs to the workers.

h. Motivation for Joining the Gig Job

Gig delivery workers are largely motivated to join for the independent nature of the job and not serving under a boss (nearly 87 per cent), flexible working hours (96 per cent), ability to choose the working hours (81 per cent), and low entry barrier (81 per cent) emerge as their top factors of motivation.

i. Challenges Faced at the Job

Gig-platform economy is fraught with a lack of transparency (60 per cent) and the arbitrary nature of information (63 per cent) about orders, pricing, kilometers driven, incentives, and benefits. On a day-to-day basis, during the rides/tasks, delivery workers face multiple challenges. The city of Bengaluru is known for notorious traffic congestion (nearly 78 per cent) and parking space issues (almost 75 per cent).

Gig-platform workers are prone to numerous occupational and health hazards daily - accidents, breakdowns, or emergencies. Occupational vulnerabilities are connected to the 'gig' performed by the delivery worker, one of the high-risk occupations with a stressful time limit and unpredictable long hours of work involving travel by two-wheelers.

Around 86 per cent and 82 per cent are aware that the app companies are extending some sort of health coverage and accident benefits, but not all are eligible for them. Only the highest performing are eligible, which means insurance support and other privileges based on their performance for the week, leaving them vulnerable if they are not consistent in their work.

7. Discussion and Policy Recommendations

i. Precarity as 'Vulnerability' is a Major Issue

Gig-platform workers are often referred to as 'independent contractors' and 'delivery partners' who provide on-demand services, facilitated by platforms such as Swiggy and Zomato. Though gig-platform work offers flexibility and autonomy, the workers are exposed to precarious working conditions. From the perspective of labour rights, the precarity of work is attributed to employment/jobs that are uncertain, unpredictable, and risky, which is manifested in a variety of forms – different aspects of working conditions eventually leading to instability and insecurity of jobs caused by: lack of job security, absence of social security benefits, and income volatility. They are not covered by anti-discrimination or minimum wage regulations.

ii. Identity and Gig-Platform Work

The relationship between identity and the gig-platform worker is a multidimensional issue. Gig-platform workers' sense of identity is greatly impacted by gig jobs, which are defined as autonomous, flexible, temporary, and frequently task-based employment through platforms like Swiggy and Zomato. Gig-platform workers are defined and characterised by the rating

2 The Ministry of Labor and Employment's 2019 draft law defines a gig-platform work platform as an online platform where individuals or organisations can solve specific problems or provide services in exchange for payment, keeping gig-platform work outside of the traditional employer-employee relationship.

systems and the algorithms of the apps for which they work. While low and poor ratings can have a detrimental impact on identity, high ratings or favourable evaluations can increase self-esteem. The stigmatisation of gig-platform jobs as "temporary" or "low-skilled" can harm how platform workers view themselves and are viewed by the public.

iii. Intersectionality and Gig-Platform Workers

From the study, it is clear that gig-platform jobs often attract individuals from marginalised sections, such as those who are undereducated, unemployed, and underemployed, seeking flexible schedules. For these workers, gig-platform work may intersect with class, caste, or gendered identities, providing opportunities or exacerbating systemic challenges.

iv. Policy Recommendations

1. **Formal Recognition & Legal Protections**
   Amend labour codes to legally define gig and platform workers and standardise their labour rights across states.
2. **Comprehensive Social Security**
   Accelerate rollout of health, accident, maternity, and pension schemes with joint funding from government and platforms.
3. **Minimum Wage Standards**
   Mandate a minimum wage floor and predictable incentive structures through digital transparency.
4. **Digital Infrastructure and Access**
   Invest in digital literacy, especially for women and marginalised gig workers, to improve inclusivity.
5. **Platform Accountability**
   Create independent grievance redressal mechanisms and require platforms to disclose algorithmic decision rules affecting pay and work allocation.

Conclusion

The gig economy in Indian cities is both an **opportunity and a vulnerability**. While it offers a new mode of employment suited to a rapidly digitising society, its unregulated nature undermines **worker security, dignity, and long-term well-being**. A balanced policy framework—combining innovation with **inclusivity and protection**—is urgently needed to ensure that gig work becomes a pathway to **urban livelihoods**, not precarity.

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