

AN ANALYSIS OF THE GIG ECONOMY: SUSTAINABILITY AND WORKER WELLBEING

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Abstract:

This paper looks into India's gig economy from economic, business sustainability and human well-being perspectives. Analyzing primary survey data of gig workers and consumers and secondary data from NITI Aayog the paper delineates how income growth, business expansion, and unemployment correlate with patterns of gig employment. Our two-sample t-test reveals that higher income leads to significant consumption on complement services based on platform, while business scale increases demand for gig workers. But they also find evidence of income volatility, skill underutilization, and high job-switching intentions, which suggest a weakness in overall long-term employment stability. Income insecurity and limited social protection are a big focus for human wellbeing while the gig model promotes flexible labor allocation and rapid platform growth from a business perspective. Policy support, skill alignment, income stabilization mechanisms and will provide sustainable development of gig economy.

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Introduction and Background of the Study:

This study investigates India's gig economy, focusing on how consumption, commercial expansion and unemployment affect flexible jobs. Drawing on surveys and industry reports, it assesses youth ergonomics, wage trajectory, skills development and career stability, and critiques whether gig work is a stop-gap or the new normal in terms of structural shifts in labor markets.

1. What is Gig Economy

As the gig economy is a new model of employment where people find temporary, flexible jobs as opposed to permanent jobs. These working opportunities are usually offered on websites that connect workers to clients as per the availability. The work arrangements in the gig economy are flexible and temporary thereby being different from the usual employment arrangement.

2. Background of Gig Economy

This study analyzes India's gig economy, exploring how consumption, business growth, and unemployment shape flexible jobs. Using surveys and industry reports, it examines youth engagement, wage trends, skill development, and career stability, and evaluates whether gig work is a temporary solution or a lasting structural shift in the labor market.

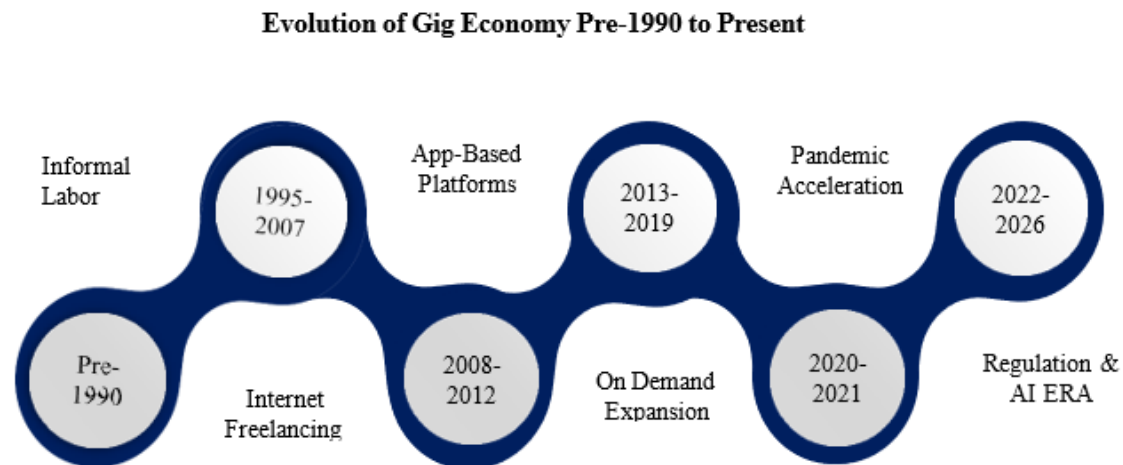


Figure: Evolution of Gig Economy (Pre-1990 to Present)

(Source: Self Made)

3. Significance

The gig economy is important because it provides workers with an option to earn income with flexibility and autonomy, while also giving organizations a way to rapidly and efficiently access labour. At the same time, studies have found that gig work is often accompanied by unpredictable pay, minimal access to traditional benefits and unstable working conditions. These challenges can impact workers' physical and mental wellbeing, and they raise doubts about the potential for this type of work to contribute to sustainable long- term workforce participation.

4. Advantages of Study

This study offers a stark picture about the impact of macroeconomic variables such as increasing consumption and growth of businesses on demand for gig labour in India. Instead of confining the discussion to pure theory, I use primary survey data in conjunction with secondary data to provide practical, real-world analysis.

5. Limitations of Study

Certain limitations may affect the generalization of the findings and can be outlined in the present study. Both problems derive of the fact that data collection is limited in time and accessibility, which means the researched gig workers might not represent the global population. Moreover, the data collection was limited by convenience sampling over selected geographical areas limiting wider regional comparison. The research is also largely based on primary responses which can be self-reported and may contain personal bias or inaccuracies. Another concern is the time period of data collection being too short for examining long-run developments in the gig economy.

6. Problem Statement

As the gig economy continues to grow, traditional employment models have evolved to be more flexible and provide sources of income for many who may not get a stable job but, there is still a thin understanding of its wider economic impact and what it means for the long-term financial and social security of workers. In this study, we explore the economic and business features of the gig economy; analyzing the impact of gig-based work on income generation, job stability, and human wellbeing

Review of Literature:

The review reviews of the emerging gig economy practices in India and traces employment trends.

1. Sadia HAFEEZ, Charlotte GUPTA and Madeline SPRAJCER (March 2022). Stress and the gig economy: it's not all shifts and giggles.

It has shown that approaches-based coping strategies correlate with less stress and avoidant strategies correlate with increased psychological distress. Two of them are identified as income irregularities and lack of stable employment of sustainability vulnerability.

2. Niti Aayog (2022). India's Boombing Gig and Platform Economy

The report looks at the pace of growth in India's gig economy and its role in job creation. It highlights flexible work opportunities particularly for youth, women and marginalised sections. But it also singles out challenges like skills gaps, employment uncertainty and a lack of social protection.

3. Singh H (2024). Gig Workers: A Comprehensive Analysis of the Rise, Challenges, and Future of the Gig Economy

This study aims to understand the structural traits of gig economy and its impact on labour sustainability. However, platform work, while flexible and with income-earning opportunities, is also with high psychological stress and low social security.

4. Animesh Kumar Sharma, Rahul Sharma (2025). The gig economy and the evolving nature of work in India: Employment, policy, and platform realities in the age of convenience

This paper studies sustainability in the gig economy from a labour conditions perspective. It flags income variability, weak regulatory frameworks and lack of social security as major issues. Long-term sustainability drivers: Institutional and policy perspective.

5. Yeong GugKim, YeasunKateChung and EunjuWoo (26 May 2023). Gig Workers' Quality of Life (QoL) and Psychological Well-Being in Service Delivery Platform

This research explores gig economy trends concerning its evolution rural labour market worldwide. It lists flexibility and autonomy, highlights income insecurity and legal ambiguities faced by workers.

Research Gap:

Previous studies have emphasized on stress, feature of regulations and social security problems, but limited research examines the economic demand-side factors driving gig employment growth in India.

Research Methodology of the Study:

This study conducts applied research with a mixed-methods strategy to explore the sustainability of gig

economy and its effects on worker wellbeing. While quantitative methods offer insights about the current state of gig economy perceptions, qualitative information helps researchers understand the nuances that define individual experiences, forming rich datasets that complement one another.

1. Research Design

The study has adopted descriptive and comparative research design. It contrast the sight of different groups with consumer to gig workers, and for the business it offers a test about the scale of company, its employment and main abilities. This design is useful in examining the statistically significant differences of the variables mentioned in our hypotheses.

2. Data Collection

Data were collect from both Primary and Secondary Sources:

The primary data were collected from 81 gig workers and 91 consumers through employed a five- point Likert scale structured questionnaire.

This theoretical knowledge and literature review was supported by secondary data from research papers, government reports, journals and online databases from 2022 to 2025

3. Questionnaire Development and Reliability

We developed two separate structured questionnaires for consumers and gig workers. The questionnaire for consumers involved income, consumption patterns, future growth and capacity expansion in business, as well as employment generation. The gig worker survey assessed earnings volatility, demand-sensitivity of earnings, unemployment elasticity of gig work and skills utilization. Both questionnaires incorporated Likert-scale and closed-ended questions to measure perceptions associated with sustainability and worker wellbeing in the gig economy.

4. Data Analysis

Gig economy hypothesis tests were conducted on primary data analysis using a Regression Analysis and Two-Sample t-Test (Equal Variance). Through analysis of mean differences among selected variables, the test identified statistically significant relationships between economic factors and gig worker trends, offering quantitative confirmation of patterns in demand, wages and participation.

5. Objectives of Study

The Study follows the following Objectives:

1. To study the changes in consumption patterns of gig economy platforms like online food delivery and quick commerce services due to increasing income levels.
2. To investigate if the scaling of gig economy businesses impacts the increase in conjugants gig workers (especially delivery and logistics partners).
3. To examine whether unemployment leads to skill underutilization and influences job selection in the gig economy

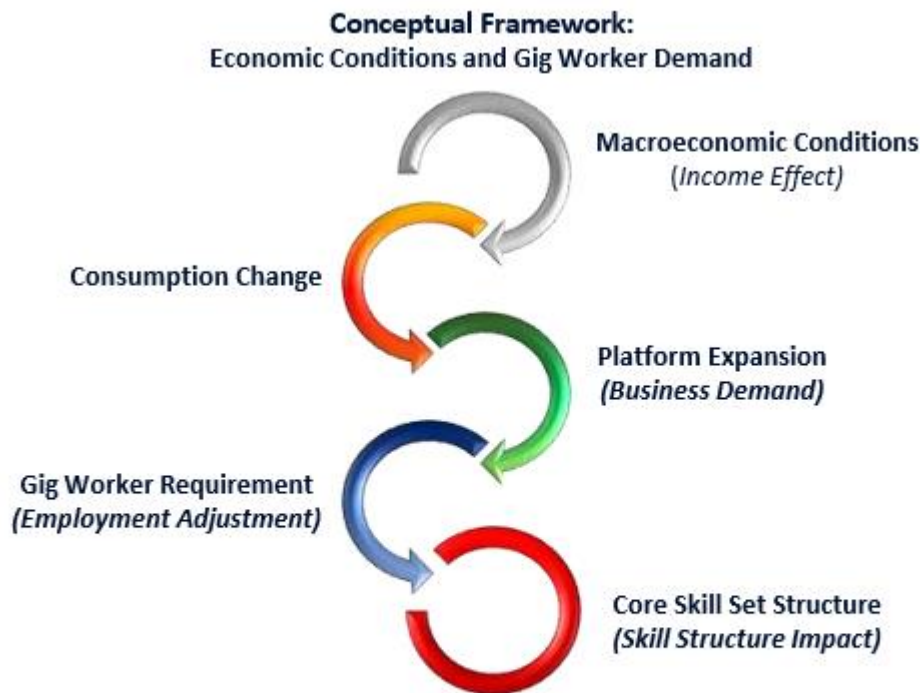


Figure: Economic Conditions and Gig Worker Demand
(Source: Self Made)

This study explores the conceptual framework of economic conditions and gig economy. It suggests that rising income levels impact consumption trends, which in turn provide the foundation for business development and an expanding platform. How does business scaling affect demand and supply of gig workers? In addition to possible behavioral changes, increases in unemployment will impact employment-matching processes and the skill set structure of gig workers, which may have consequences for sustainability and worker wellbeing.

6. Hypothesis Framed in the line of Objectives

Income Growth and Gig Economy Consumption

H₀₁: There is no significant relationship between increase in income level and consumer consumption on gig economy platforms.

H₁₁: There is a significant relationship between increase in income level and consumer consumption on gig economy platforms.

Impact of Business Growth on Gig Workers

H₀₂: There is no significant relationship between business scaling and the number of gig workers. H₁₂: There is a significant relationship between business scaling and the number of gig workers.

Impact of Unemployment on Gig Workers' Skills

H₀₃: There is no significant relationship between unemployment and workers' skill utilization in the gig economy.

H₁₃: There is a significant relationship between unemployment and workers' skill utilization in the gig economy.

7. Sampling Technique

This study adopts purposive random sampling, since respondents were deliberately chosen due to their direct involvement in the gig economy as gig workers or consumers. To minimize bias, respondents were selected randomly within these relevant groups. This approach was designed to ensure both the relevance and reliability of data for understanding sustainability and worker wellbeing.

8. Sampling Size

The target population for this research includes current gig workers and platform-based service consumers. 81 gig workers were surveyed, across platforms including Zomato, Swiggy, Instamart, Zepto, Flipkart Minutes, Shadowfax and Blinkit. Surveys were also conducted with 91 consumers that regularly use gig-based delivery services. The study is answered by a total of 172 respondents.

Data Analysis and Interpretation:

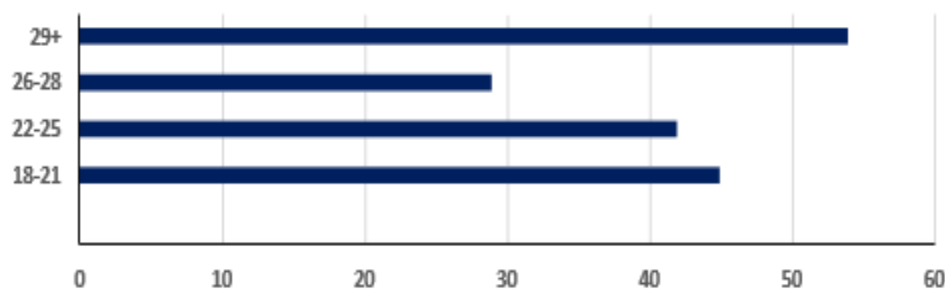
Results and discussion The Data Analysis section evaluates the collected primary data in order to test the research hypotheses about gig economy.

1. Distribution on the basis of Demographic Variables of Sample

Age Group	Worker Count	Consumer Count	Total	Percentage
18-21	13	32	45	26.16%
22-25	20	22	42	24.42%
26-28	11	19	29	17.44%
29+	37	18	54	31.98%
Total	81	91	172	100.00%

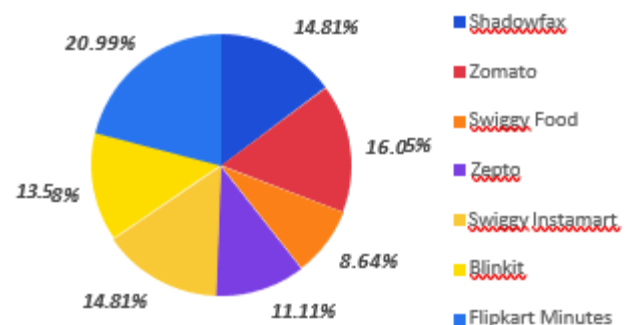
The 29+ age group has the most number of activations (31.98%) and this category mainly consists of workers, which suggests increased participation in gig employment. Consumers in the 18–21 range demonstrate greater involvement, while those at 22–25 exhibit more balanced engagement. The average share is only 12% among the group of respondents aged 26–28.

Different Age Group Responses



2. Proportion of Gig Workers across Selected Businesses

Businesses	Count	Percentage
Shadowfax	12	14.81%
Zomato	13	16.05%
Swiggy Food	7	8.64%
Zepto	9	11.11%
Swiggy Instamart	12	14.81%
Blinkit	11	13.58%
Flipkart Minutes	17	20.99%
Total	81	100.00%

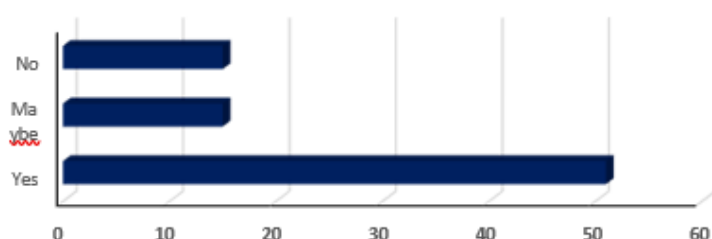


The distribution of gig worker responses across businesses shows that Flipkart Minutes has the highest representation (20.99%), indicating strong worker participation. This is followed by Zomato (16.05%), while Shadowfax and Swiggy Instamart each account for 14.81%. Blinkit contributes 13.58%, and Zepto 11.11%. Swiggy Food has the lowest share (8.64%). Overall, the data reflects relatively diversified participation across major gig platforms, with quick-commerce services showing notable dominance.

3. Job Switching Intentions Among Gig Workers

Decision	Count	Percentage
Yes	51	62.96%
Maybe	15	18.52%
No	15	18.52%
Total	81	100.00%

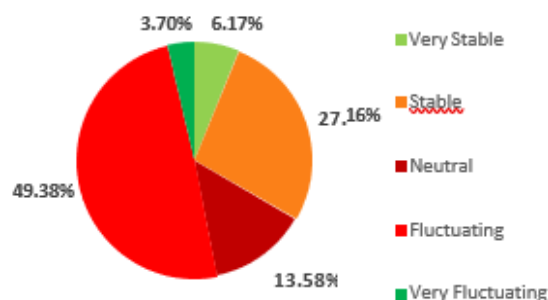
Employment Decision of Gig Workers



A majority of gig workers (62.96%) are ready to switch jobs when an opportunity arises reflecting the fact that they are not committed to gig work and use it as a short-term or flexible source of income. Overall, the results show that gig workers do not see these gigs as career options in the long term

4. Perception of Income Stability Among Gig Workers

Nature of Income	Count	Percentage
Very Stable	5	6.17%
Stable	22	27.16%
Neutral	11	13.58%
Fluctuating	40	49.38%
Very Fluctuating	3	3.70%
Total	81	100.00%

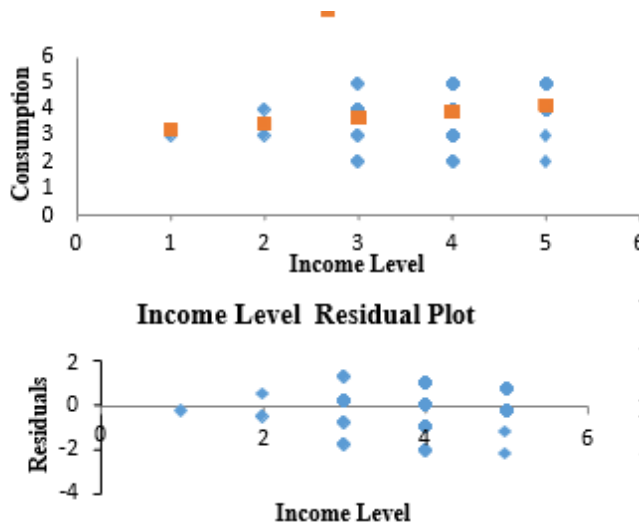


According to the data, 49.38% of total gig workers find their income fluctuating, with a further 3.70% finding it very fluctuating. Financial instability is strongly evident in the sample, 6.17% of the gig workers find their income very stable while 27.16% find it stable. Only 13.58% find it neutral. Overall, the data strongly reflects the finding that income uncertainty is one of the characterising features of gig work.

5. Regression Analysis, this hypothesis tests whether income growth affects gig economy consumption.

With the expansion of the gig economy, consumption habits are altered. Consumers are accessing the gig economy by means of e-commerce sites 24/7. The more money they have to spend, the higher their consumption of convenience services should be. Hence, the hypothesis is to determine whether there is a significant association between income levels and consumption in the gig economy.

Regression Analysis						
Regression Statistics						
Multiple R						0.227749057
R Square						0.051869633
Adjusted R Square						0.039867983
Standard Error						0.839281329
Observations						81
ANOVA						
df	SS	MS			F	Significance F
Regression	1	3.044299201	3.044299201		4.321875082	0.040870661
Residual	79	55.64705882	0.70439315			
Total	80	58.69135802				
Coefficients					P-value	Lower 95%
Intercept	3	0.460861535	6.509547387		6.36872E-09	2.082678061
Income Level	0.235294118	0.113181375	2.078911995		0.040870661	0.010012226
Income Level Line Fit Plot					to the	findings,
◆ Consumption	Predicted		Consumption	regression		income
	According					



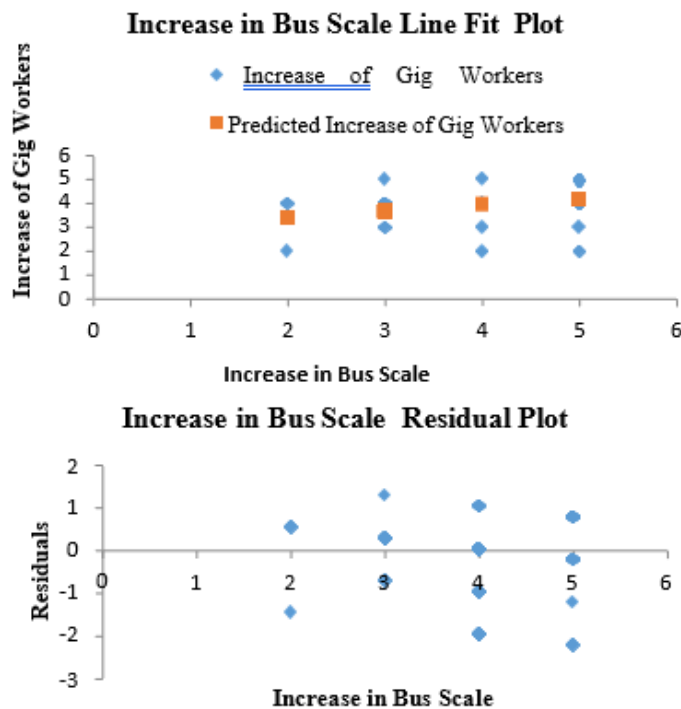
level has a positive and statistically significant effect on consumption. [INCOME: The income coefficient ($\beta = 0.235$) indicates consumption increases as income rises.] The model is significant ($F=4.32$, $p = 0.040$), hence the null hypothesis is rejected. However, the R^2 value (0.052) is very low, meaning that income only plays a small role in consumption variation whilst other factors also have an impact.

6. Hypothesis 2 Regression A, Impact of Business Scaling on Gig Worker Count

Business growth in the gig economy Business growth could result in a higher demand for running individual business operations, thereby creating a need for additional people to facilitate increased service delivery. As the individual gig economy business scales across a larger geographic region with more various services, the need for a larger number of gig workers could also grow proportionately.

Regression Analysis

Regression Statistics					
Multiple R					0.243851527
R Square					0.059463567
Adjusted R Square					0.047558043
Standard Error					0.785325132
Observations					81
ANOVA					
	df	SS	MS	F	Significance F
Regression	1	3.080359602	3.080359602	4.99461971	0.028250941
Residual	79	48.72210953	0.616735564		
Total	80	51.80246914			
	Coefficients	Standard Error	t Stat	P-value	Lower 95%
Intercept	2.929006085	0.465378087	6.293820377	1.61417E-08	2.002694175
Increase in Bus Scale	0.251521298	0.112544313	2.234864584	0.028250941	0.027507448



The regression also suggests a positive and statistically significant correlation between business scaling and the growth of gig workers. The beta coefficient ($\beta = 0.25/1$) shows that with increasing demand in business expansion, the demand for gig workers also increases significantly. Since the overall F statistic is statistically significant ($F = 4.99$, $p = 0.028 < 0.05$), we can reject null hypothesis. But the coefficient of determination R^2 (0.059) indicates that business scaling is only minimally responsible for explaining gig worker growth variability.

7. Hypothesis 3 Test using t-Test: Two-Sample Assuming Equal Variance, Impact of Unemployment on Gig Workers' Skill Utilization

Rising unemployment has pushed many workers into gig jobs that frequently do not use their skills. This hypothesis explores the connection between unemployment and under utilization of skills in the gig economy.

t-Test: Two-Sample Assuming Equal Variances		
	Unemployment	Core Skill Impact
Mean	2.419753086	2.12345679
Variance	0.821604938	0.784567901
Observations	81	81
Pooled Variance	0.80308642	
Hypothesized Mean Difference	0	
Df	160	
t Stat	2.104130121	
P(T<=t) one-tail	0.018465177	
t Critical one-tail	1.654432901	
P(T<=t) two-tail	0.036930354	
t Critical two-tail	1.97490156	
Hypothesis Testing		
Alternate Hypothesis Null Hypothesis		Accepted Rejected

Findings and Interpretation of Hypothesis

This means that only one comparison indicated that they were similar, while the rest showed significant differences; suggesting the sensitivity of t-test to data variation.

8. Key Findings of Data

The results reveal that income growth has a strong positive effect on gig platform consumption, business expansion positively affects the demand for gig workers, and unemployment negatively correlates with skill utilization (accepting all hypotheses $p < 0.05$). But big fluctuations in income and strong motivations to switch jobs suggest that gig work is mostly seen as temporary with limited long-term security.

Conclusion:

The study shows that the macroeconomic forces driving income growth, business formation, and unemployment trends are underlying factors of gig economy expansion. More income leads to increased consumption on gigging platforms, while scaling of businesses means increased demand for gig workers. Yet income volatility along with skills underutilization raise challenging questions about long-term sustainability and workers' wellbeing. While indeed flexible employment features, the gig economy is often regarded as a temporary (and not permanent) non-viable option, which calls for structural and policy changes based on.

Suggestion and Future Scope:

Suggestion:

A structured reforms would be needed to enhance sustainability and worker wellbeing in gig economy. Platforms should offer income stability tools and transparent incentive schemes to mitigate earnings volatility. Policymakers need to extend social security benefits — both health insurance and retirement — to gig workers. There should be promotion of skill development and upskilling programmes to prevent long-term non-use of skills. Moreover, clearer regulatory frameworks and ethical business practices are needed to ensure fair treatment, job security, balanced growth within the expanding gig economy.

Future Scope:

Future research should explore the gig economy at the intersection of worker well-being and long-term business sustainability. Some aspects, like income stability, mental health, work-life balance, and access to social security need a deeper dive. Concurrently, there will need to be studies around platform profitability, reasonableness of commission structures and ethical management of algorithms to ensure growth balances sustainability. Creating inclusive policies that safeguard workers while facilitating innovation will be important.

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