



# Navigating the VUCA World: Rise and Challenges of Gig Economy in India

Shilpa Sharma<sup>1</sup>

<sup>1</sup>Assistant Professor (School of Management) Xavier University Patna

OPEN ACCESS

Volume: 5

Issue: Special 1

Month: May

Year: 2026

ISSN: 2583-7117

Published: 09.05.2026

Citation:

Shilpa Sharma “Navigating the VUCA World: Rise and Challenges of Gig Economy in India” International Journal of Innovations in Science Engineering and Management, vol. 5, no. S1, 2026, pp. 59-63.

DOI:

10.69968/ijisem.2026v5Si159-63



This work is licensed under a Creative Commons Attribution-Share Alike 4.0 International License

## Abstract

VUCA stands for Volatility, Uncertainty, Complex and Ambiguous. It refers to the rapidly changing scenario in business today where the political, economic, socio cultural, technological and legal factors that have a great impact on commerce and business.

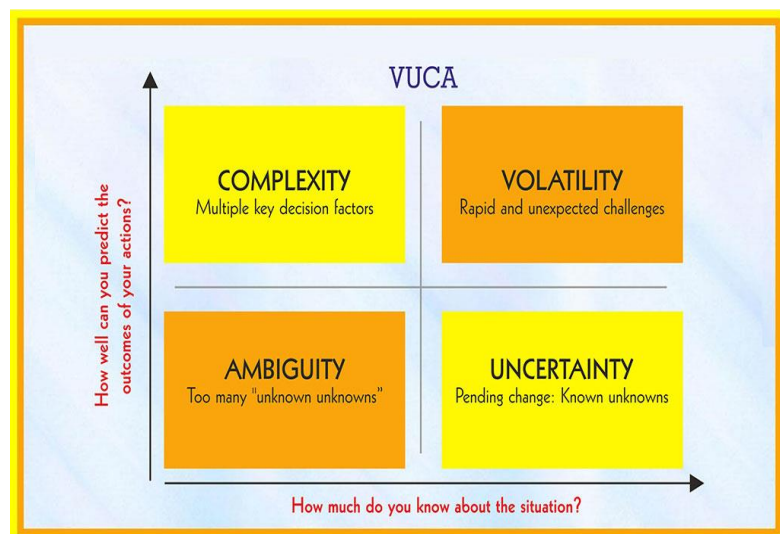
These include the changing political dimensions, climatic changes and hence the regulations, economic recessions causing mass layoff, upskilling and reskilling in changing technological upgradations, changing consumer behavior owing to the change in demographics such as age, income and women in working force, legal regulations coming across to accommodate and be more relevant to these changes, environmental regulations etc. it would not be out of place to mention that future in these scenarios become a little more unpredictable which calls for the demand of agility of the organizations and economy at large to cope up with the change.

One such kind of rapidly growing economy in India is the Gig economy that can be called as an adaptive response to the uncertainty and the volatility of business today. Gig economy is the kind of economy that is not permanent or is temporary or short term where the workers are paid for “per task” or “gig”. This kind of economy is in absolute contrast with the traditional workforce where the workforce was stable, income was regular and the people enjoyed certain benefits and social security from the organization.

This paper delves into the evolving and future of gig economy, its adaptability to current scenarios in India with the challenges that it proposes.

**Keywords;** VUCA, Gig economy, social security, adaptability..

## INTRODUCTION



The growth of gig economy is very closely linked with the VUCA world. The market is more dynamic than it ever has been. There are frequent changes, it is volatile in terms of technology and consumer behavior. Hence, gig economy is an adaptation to combat the changes of both the business in terms of job losses where the gig workers have multiple sources of income and organizations which need agile workforce to fulfil fluctuation overloads.

Due to the mutual demand of uncertainty by both the organizations and the workers where employers are limited by the external environment's constraints restricting them to plan for long terms and hence do long term hires. In such scenario, the short-term contracts, freelancing and temporary workforce serve the purpose. It also provides opportunity to the gig workers to adapt to the demands of skills required by the company.

The multilayered business operations and interconnectedness of global world make it more and more complex. In such scenario. Gig workers offer diverse skills, specialized skills catering to the sector wise requirements of the company. Gig workers also remain a lot more relevant under such circumstances with specialized skills.

Ambiguity is where the outcomes are unpredictable and pathways are not defined. In that case the flexible business models are very useful and are promising for future because the work boundaries are blurred. It would not be wrong to say that organizations are experimenting with new models of work. So, we can say that gig economy is both the outcome and product of VUCA world.

The growing Gig economy is marked by short term or temporary nature of work where the work is paid per task or per 'gig'. The rapid pace of digitalization has transformed the world in economically is one of the strongest factors for emergence of this economy. The study on Gig economy is important because it promotes innovation, marked by increased digital labor force participation thereby boosting productivity. There follows a rapid business transformation, expectations, new dynamics in the economy and labor market.

The last decade has witnessed a dramatic increase in the gig economy with more people choosing flexible employment arrangements (Tan et al., 2021; Malik et al., 2021). The opportunity to pick tasks according to their ability and convenient schedules is an advantage here. Throughout the world its growth can be seen with a \$1.847 trillion market projected by 2032 (Charlton, 2024). This

market, which was valued at USD 556.7 billion in 2024, is expected to grow to USD 646.77 billion in 2025 and reach USD 2146.87 billion by 2033, with a CAGR of 16.18 % from 2025 to 2033 (Business Research Insights, 2025). The rapid digitalisation connecting customers with the freelancers and communication growth has given a huge impetus to this market which is expected to grow further in future. The gig economy serves a variety of sectors, which includes but is not limited to e-commerce, transportation, and delivery and quick commerce services. By 2030 it is expected to contribute 1.25% of India's GDP and create a pool of 90 million jobs.

Discussing in terms of India, gig economy is expected to expand significantly, with a compounded annual growth rate (CAGR) of 17 % (Business Standard, 2024). This expansion is likely to result in a major increase in the number of gig workers and a significant contribution to the country's GDP. According to a NITI Aayog Report 2022 estimate, the gig labour is expected to grow to 23.5 million by 2029–30, up from 7.7 million now.

India enjoys a double advantage as it enjoys a favorable demographic structure and rapid spread of digitalization under Digital India campaign. Gig economy in India has altered the traditional business methods where jobs were more structured, secured and stable. The jobs also came with formal employment contracts in which they enjoyed social security in contrast with the present scenario where it is marked by per gig and absence of any structured social security provisions. In India it is found that the Pandemic of Covid 19 has given it further impetus where the gig economy showed resilience and it seems there is no looking back from here.

**Research Gap** -While it is a novel area of study promising the economy with an unprecedented prospect of creation of revenue and restructuring the traditional business models in more ways than just one or two, a deeper contemplation is needed to understand the regulations, policy, workplace issues, challenges and Human Resource management aspects of the gig economy. The proliferation of this kind of market comes with its own share of some serious problems that need to be addressed. Despite many literatures work present on gig economy, there remains substantial scope for further investigation as to how the gig economy will adapt to the economy in a more structured, regulated and systematic manner in terms of regulations, labor policies and shielding of gig workers with respect of their employment regulations, protections, social security framework and other Human Research practices

This research paper tries to study both the employment dynamic and the challenges of this sector.

### **Literature review**

Gig workers rely largely on digital platforms to obtain work; therefore, platform regulations play an important role in their job experience (Vallas and Schor, 2020). There are no provisions for paid leave, which means that if a worker becomes ill, they would lose their salary for that time period (Behl et al., 2022).

The gig economy has had a profound impact on global labor markets and economic institutions (Baber, 2024).

Mali (2020) conducted an investigation into the expansion and implications of the gig economy in India, highlighting its swift growth driven by technological advancements, digital platforms.

Pawar and Srivastava (2022) examined India's gig workers in relation to employment laws. This study highlights the expansion of the gig economy through technology and urbanization, noting challenges such as job insecurity, irregular income, and unclear legal status.

Gowda and Manasa (2023) examined the impact of digitization on employment in India, focusing on the gig economy.

primary benefits of gig labor, as stated by respondents, is the freedom it provides (Au and Tsang, 2023)

Bekal et al. (2023) review the literature on India's gig economy and examine its growth, opportunities, challenges, and policy implications through government reports, academic studies, and industry surveys.

The need for government involvement underscores gig workers' rising worry about their long-term financial stability (Yaroshenko et al., 2024).

The gig economy has caused a paradigm change in work, shifting away from traditional, long-term contracts and towards short-term, task-based arrangements (Dhand et al., 2025).

According to Şen (2022), this paradigm provides workers with freedom and autonomy, allowing them to pick tasks that fit their abilities and schedules (Dong et al., 2023).

However, it also brings disadvantages such as job instability and a lack of traditional work benefits (Gagné et

al., 2022). The study emphasises the need for revised labor laws to address these challenges.

While this transition creates new income opportunities, it also raises worries about job security and regulatory issues (Nagaraj Rao et al., 2025). The study advocates for regulations that balance the benefits of gig employment with proper worker safeguards.

The COVID-19 epidemic compounded these problems, since gig workers frequently lacked employment security and social benefits (Ravenelle et al., 2021).

### **RESEARCH METHODOLOGY**

Descriptive research has been carried out using mainly the secondary data. It mainly involves the detailed analysis of the existing literature available and sources of authentic secondary data obtained from government think tank NITI Aayog report 2022, BCG and dell Foundation 2021, academic journals, published case study, industry reports and reputable news articles.

Particular focus is placed on the rising trend, opportunities and challenged in this economy.

### **Findings of the study**

Worker's demographics – Gig workers are both the outcome and adaptive response to VUCA world. and The Gig economy includes a diverse range of workers in both farm and non-farm sectors who qualifications vary from both highly educated to those with limited formal education. Although it is more male friendly right now but constant effort looks promising that the government is trying to make conducive environment for even the females to participate fairly in this.

Market Size- The number of gig workers in India increased from 2.52 million in 2011-2012 to 6.8 million in 2019-2020, reflecting a compound annual growth rate of 16.78%. NITI Aayog estimated that there were 7.7 million gig workers in the fiscal year 2020-21, with projections indicating an increase to 23.5 million by 2029-30.

Key Sectors: Key sectors encompass mobility based including ride-sharing and transportation, delivery such as food, quick commerce and e-commerce, professional services such as encompassing design, content creation, and software development, and other miscellaneous microtasks.

## Economic Impact

The Market of Gig Economy, valued at USD 556.7 billion in 2024, is expected to grow to USD 646.77 billion in 2025 and reach USD 2146.87 billion by 2033, with a CAGR of 16.18 % from 2025 to 2033 (Business Research Insights, 2025). Similarly, India's gig economy is also expected to grow significantly, with a compounded annual growth rate (CAGR) of 17 % (Business Standard, 2024). This expansion is a clear sign that it will be a major contributor to the economy's GDP.

According to a NITI Aayog estimate, the gig labor is expected to grow to 23.5 million by 2029–30, which is up from 7.7 million now (NITI Aayog, 2022).

Therefore, the role of gig economy has to be critically examined in economic progress because it promotes innovation, pushes productivity, and increases digital labour force participation (Graham et al., 2017) enabling the firms, particularly startups and small businesses without the constraints of traditional employment constraints.

The gig workers are a cost-efficient source of workers with increased employment opportunities, especially in sectors which poses limited traditional options. However, there are concerns about market inequality and the lack of worker protection. The gig economy comes with opportunities of cost-effective labor, operational flexibility and the scalability convenience that it has to offer. But the streamlining and maintaining data in such a highly decentralized work and retention of employees and their control is a huge challenge. Worker satisfaction is a matter to be discussed for sustaining this type of economy.

**Impact on Workers:** The gig economy has evolved as an important component of modern labour markets, providing both possibilities and problems for people and employers. The positive impact includes flexibility of schedule, autonomy in terms of choosing skills and convenience, multiple income streams, and further skill development opportunities. The negative impact includes lack of formal terms of employment, economic hardships during times of uncertainty, lack of social security and above all the high fear of occupational health at stake. The uncertainty about career progression opportunities is also doubtful or not formally laid down in the industry. The workers are conspicuously devoid of job security resulting in high uncertainty and dissatisfaction.

## DISCUSSIONS

With an expected growth of gig workers at around 23.5 million by 2029-30, it will indeed be a substantial contributor to the economy. The future trajectory of India's gig economy will depend on balancing its sustainable growth potential with welfare of the workers. This cannot be had merely by government's policy though it can set the clear mandate guideline.

It has to come as a collaborative effort from various policy makers, platform owners and other stakeholders to materialize it on ground. It is only then that an inclusive policy that fosters economic growth which also balances workers' right and safeguards their wellbeing can be seen.

There need for comprehensive frameworks to protect workers' rights, ensure fair treatment and address gender inequalities, include the more vulnerable especially abled workers will make the economy more inclusive and resilient.

The absence of adequate social security measures and the precarious nature of gig work emphasize a more humane angle of policy interventions.

It is an optimistic move that the New Labour Codes 2025 officially acknowledges gig workers as part of the workforce which earlier wasn't signifying, they are part of labour law considerations. There are many things in terms of regulations of this sector

The law provides for schemes covering things like life/disability cover, accident insurance, health and maternity benefits, old-age protection for gig/platform workers.

## CONCLUSIONS

India's gig economy has emerged as a significant force in reshaping the country's employment landscape. The gig economy has experienced substantial growth, with the number of gig workers increasing from 2.52 million in 2011-12 to 6.8 million in 2019-20, reflecting a compound annual growth rate of 16.78%. The projections suggest further expansion, with estimates of 23.5 million gig workers by 2029-30. For businesses, the gig economy provides cost-effective Labor and operational flexibility but poses challenges in workforce management and retention.

Although the government's initiatives related to Gig workers in India like the recent Labor Code 2025, Karnataka's Bill on Gig workers, Rajasthan's Platform based gig workers Act 2023, The Bihar Platform based Gig

workers (Registration, Social Security and Welfare Act, 2025) are positive moves towards structuring this sector, the study shows significant regulatory gaps and policy challenges including the need for comprehensive frameworks to protect workers' rights, address gender inequalities, and ensure fair treatment. The absence of adequate social security measures and the precarious nature of gig work underscore the urgency of policy interventions. The future trajectory of India's gig economy will depend on balancing its growth potential with worker welfare. This will require collaborative efforts among policymakers, platforms, and other stakeholders to develop inclusive policies that foster economic growth while safeguarding workers' rights and well-being.

### RECOMMENDATIONS

Although the government's intervention and bringing gig workers as a part of formal labour consideration is a positive move, yet it not very clear as to how this is going to be realised. Apart from formal social security to protect the gig workers during contingencies, there must be career progression scope (upskilling) which is a must for efficient Human Resource management. There should be some "skill certificate" or "skill passports" for the verified and efficient gig workers to fetch them more work opportunities. There should be provisions for gender sensitization and accessibility awareness programs for women and physically challenged. A more comprehensive occupational safety and health and accidental coverage should be in place in order to make the gig economy sustainable.

### REFERENCES

- [1] Asfahani, A. M., Alsobahi, G., & Dahlan, D. A. (2023). Navigating the Saudi Gig Economy: The Role of Human Resource Practices in Enhancing Job Satisfaction and Career Sustainability. *Sustainability*, 15(23), 16406. <https://doi.org/10.3390/su152316406>
- [2] Auguste, D., Despard, M., & Roll, S. (2023). Democratizing the Economy or Introducing Economic Risk? Gig Work During the COVID-19 Pandemic. *Work and Occupations*, 51(4), 550–606. <https://doi.org/10.1177/07308884231202032>
- [3] Au-Yeung, T. C., Ming, C. K. K., Chan, C. K.-C., & Tsui, W. Y. A. (2024). The Gig Economy, Platform Work, And Social Policy: Food Delivery Workers' Occupational Welfare Dilemma in Hong Kong. *Journal of Social Policy*, 54(2), 673–691. <https://doi.org/10.1017/s0047279423000673>
- [4] Li, S. (2023). The Gig Economy and Labour Market Dynamics. *Advances in Economics, Management and Political Sciences*, 61(1), 275–281. <https://doi.org/10.54254/2754-1169/61/2023128520>.
- [5] Lin, P. M. C., Baum, T., Wilson Au, W. C., & Peng, K.-L. (2022). Labour Market Transformation in the Hospitality Gig Economy in A Post Pandemic Era: Impacts of Institutional Governance. *International Journal of Contemporary Hospitality Management*, 35(4), 1490–1510. <https://doi.org/10.1108/ijchm-12-2021-153121>.
- [6] Mali, A. J. (2020). The Gig Economy: Its Impact and Implications on the Indian Economy. *Sambodhi*, 43(4), 72-77. 22. Mcclenahan, G., Srnicek, N., Dewhurst, M., Shaw, J., Gearhart, D., Graham, M., Silberman, M. S., Berg, J., Jennings, P., Scholz, T., Colclough, C., & De Stefano, V. (2017).
- [7] Towards a Fairer Gig Economy. *Meatspace*. <https://doi.org/10.58704/5zv9-7s84> 23. Mehta, B. S. (2020). Changing Nature of Work and the Gig Economy: Theory and Debate. *FIIB Business Review*, 12(3), 227–237. <https://doi.org/10.1177/2319714520968294>
- [8] <https://ddindia.co.in/2025/11/gig-workers-recognised-in-law-for-the-first-time-as-new-labour-codes-take-effect>
- [9] <https://www.medianama.com/2025/11/223-gig-workers-legally-recognised-indias-labour-codes>