

Analysing the Growth and Scope of GIG Economy in India: A Study on Freelancers and their Working Perspectives

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Abstract:- Under the present domestic and globally competitive market, Gig Economy has emerged as a new paradigm in the world labour market. It has significant implications across various spheres due to the scalability, innovation and agility that it offers. This study explores the growth and scope of Gig Economy in India and focuses on freelancers who mostly provide services in virtual work set-up. The study is based on primary and secondary data. The primary data is collected by canvassing a questionnaire among 100 respondents across genders and age groups. This study has analysed the future growth of this economy in India by identifying comprehensive perspectives and recommendations on various gig platforms and examining the financial credibility of this economy to create jobs for the present youth. The job-creating potential of the gig economy, awareness regarding the work, and identifying its demand across various industries are some of the aspects that have been studied.

Through this study, interpretations about the opportunities and challenges for workers in the sector, skillsets in demand for workers to enhance employment opportunities, the potential of gig work to replace 9-5 jobs and how it will be affected by the advent of artificial intelligence, can be made. Which type of clients are more financially rewarding, and what are the most preferred ways of charging a client are some of the important results that can be inferred from this study. The study presents a methodical analysis of both the opportunities as well as challenges for workers in this sector.

Keywords:- Gig Economy, Digital Freelancing, Employment Opportunities, Skill Development, Career Advancement, Opportunities, Challenges.

I. INTRODUCTION

The gig economy is referred to as a labour market that is characterized by short-term contracts or freelance work, rather than permanent jobs. In a gig economy, workers typically perform specific tasks or projects for multiple clients and companies, often using online platforms that connect them with potential customers. Advocates of the gig economy argue that it offers greater flexibility and autonomy for workers, while also providing cost-effective solutions for businesses.

The gig economy is rapidly growing in India over the past few years. According to a report by Boston Consulting Group, the gig economy in India is expected to grow to \$455 billion by 2023, accounting for over 15% of the country's gross domestic product (GDP). In 2020-21, it was estimated that 77 lacs (7.7 million) workers were engaged in the gig economy. These workers comprise a population of 2.6% of the non-agricultural workforce which is 1.5% of the total workforce in India. The gig economy, still in its budding stage in India is yet to be studied comprehensively.

One of the main factors for the widespread growth of the Gig Economy in India is the widespread availability of affordable mobile services and internet connectivity. This has made it easier for workers to find gig opportunities through online platforms like Upwork,

Freelancer, and LinkedIn. The digital boom has enabled the creation of new types of gig work, such as social media management, online tutoring, virtual assistance, and digital marketing. These gigs require specific digital skills which have made it attractive for workers who value flexibility and location independence. Gig or freelance work is expected to grow due to various possibilities and technological upgradation in numerous spheres of service and production-based business. At the same time, it will also provide the opportunity for workers to outstrip the limitations of time and space at work. With such a burgeoning potential of gig work, the future would see a steep curve for freelance work and workers.

A. Contribution of Freelancing in the Gig Economy:

Freelancing is a significant contributor to the gig economy. It has become increasingly popular in recent years, offering workers more flexibility and autonomy than traditional employment. Freelancers can choose when and where they work, and they have the ability to work on a variety of projects and for multiple clients. The growth of the gig economy has been fuelled by the rise of online platforms which provide a streamlined way for freelancers to work, communicate with clients, and receive payment for their services. Overall, freelancing is a significant contributor to the economy providing opportunities for workers to work in a variety of industries on a project basis and obtain work-life balance. Many millennials and GenZ workers prefer the flexibility and autonomy of freelance work over traditional 9-to-5 jobs. The concept of digital freelancing is gaining

increased awareness and acceptance in India. People are realizing the potential of freelancing as a viable and profitable career option. This has led to an increase in the number of people choosing to work as freelancers, paving the way for more opportunities in this economy.

II. LITERATURE REVIEW

Dev, Pillai (2022). “Dynamics of Gig Work Economy - An Investigation of Worker Perspectives on Gig Work” supplemented developing specific actions to accelerate the development of the gig economy to ensure worker protection and safety needs in creating an inclusive economy.

Gussek, Wiesche (2021) in their study “Gig Economy: Workers, Work, and Platform Perspective” examined the characteristics, the motivators, and the digital platforms that mediate the gig economy and the whole economy as a framework.

Allon, Cohen, Sinchaisri (2018) studied “The Impact of Behavioural and Economic Drivers on Gig Economy Workers.” - The study was done to find out the motivation factor that makes gig workers take decisions regarding the labour.

Gleim, Johnson, Lawson (2019) “Sharers and sellers: A multi-group examination of gig economy workers' perceptions.” was a study done to find out the various perceptions of Gig economy workers.

Healy, Nicholson, Pekarek (2017) studied the topic “Should we take the gig economy seriously?” which focuses on how the gig economy has emerged rapidly as a form of service delivery that challenges existing business models, labour-management practices, and regulations. This paper, further studies whether the gig economy deserves to be a subject of employment relations scholarship, given its current dimensions and likely future.

Ashford, S. J., Caza, B. B., & Reid, E. M. (2018) in their paper “From surviving to thriving in the gig economy: A research agenda for individuals in the new world of work. *Research in Organizational Behaviour*, 38, 23–41.” articulated the work and relational behaviours necessary for such thriving, and the cognitive and emotional capabilities that undergird them.

➤ Objectives of the Study

- To find out how freelancers, as well as non-freelancers, perceive this economy in
- terms of reasons for its rise, the advantages and disadvantages associated with it, the kind of services in demand, the skill sets required, various ways of acquiring clients, and how to charge clients in this economy.
- To assess the preferences of the present generation towards freelancing in terms of the motivating factors, career options, and its replacement in the future due to AI.
- To find out whether there is any linkage between people's intention to pursue freelancing full-time and their perception regarding the future of freelancing.

III. RESEARCH METHODOLOGY

The study is mostly descriptive in nature; a pinch of quantitative and qualitative methods are also used. A non-probability sampling technique was applied and participants of selected occupational statuses and age groups were selected as a sample.

In this project, I have gathered primary data through a questionnaire using the Google Forms application and the survey questionnaire consisted of 25 questions which were used to draw information about the participant's personal opinions about the growth and scope of the Gig Economy in India.

Sample Type : Non-probability sampling
Sample Size: 100 people

Both freelancers, as well as non-freelancers, and their working perspective, was taken into account. The secondary data are collected from previous studies and work related to the gigeconomy. The various sources of secondary include articles from the Internet about various surveys conducted earlier and journals and research papers that focus on this economy.

The tools used for data analysis include graphical representations, tables and hypothesis testing method (bivariate analysis – Chi-Square Test). Chi-square (χ^2) is used to find out whether there is a significant association between two categorical variables from our survey.

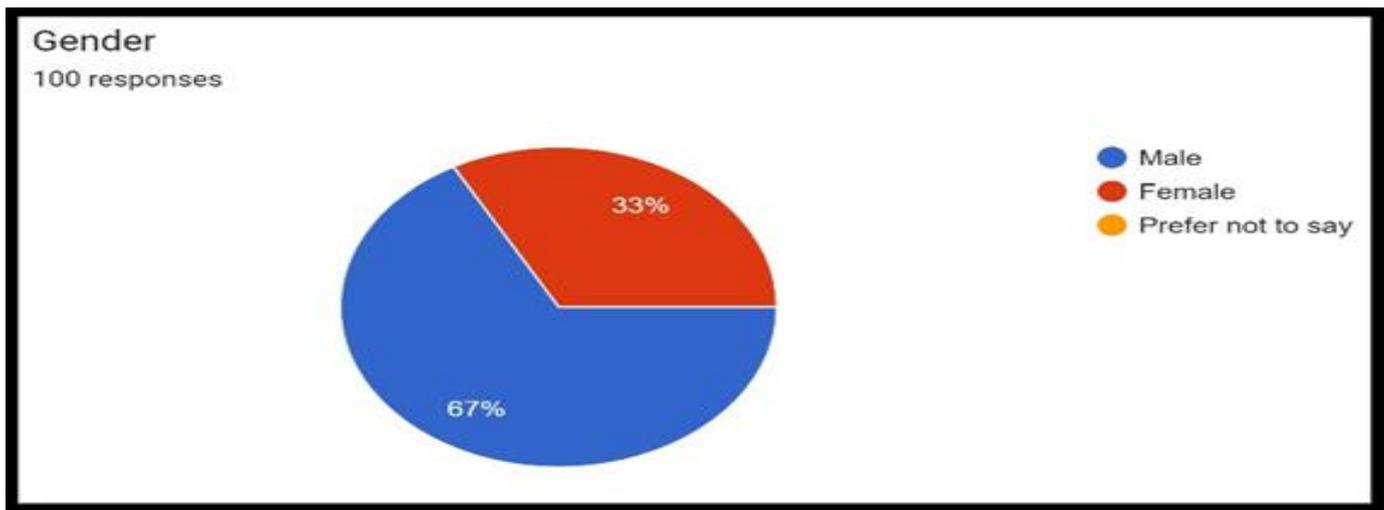


Fig 1: Demographic Data of Respondents Gender

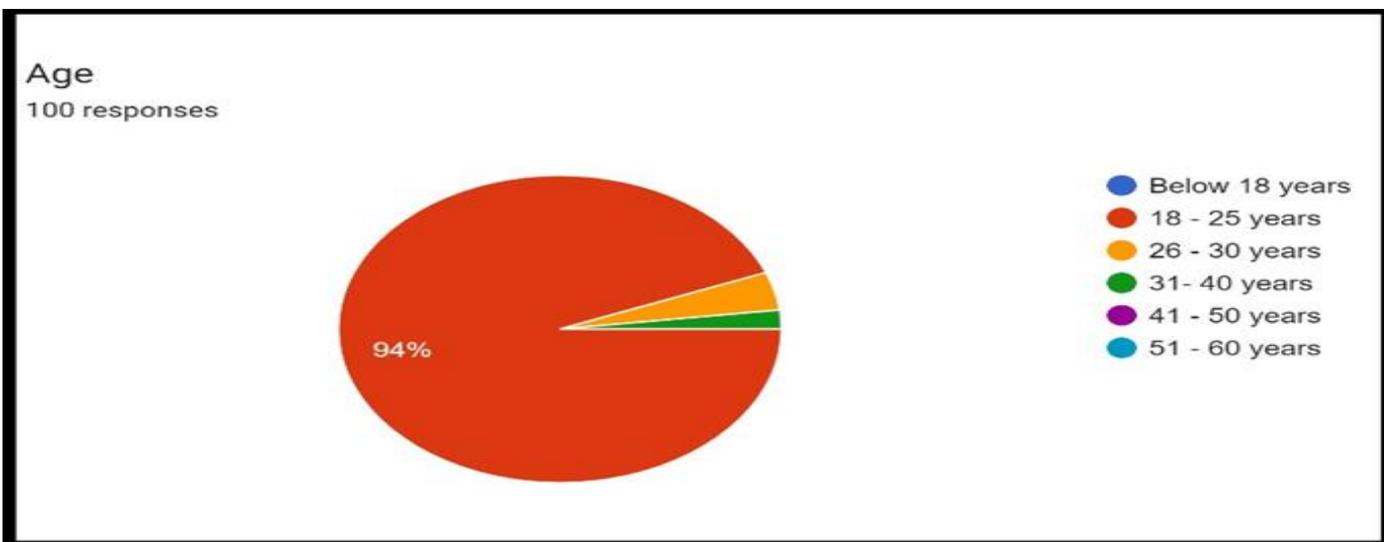


Fig 2: Age

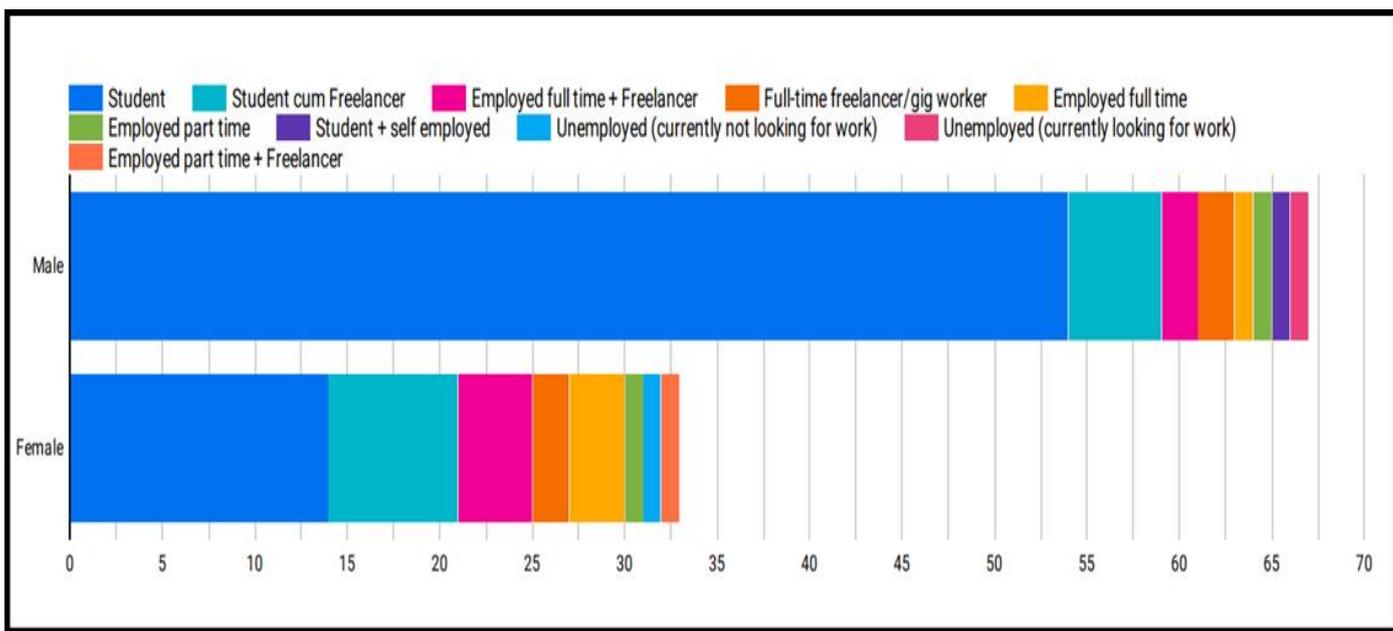


Fig 3: Months/Years of Work Experience

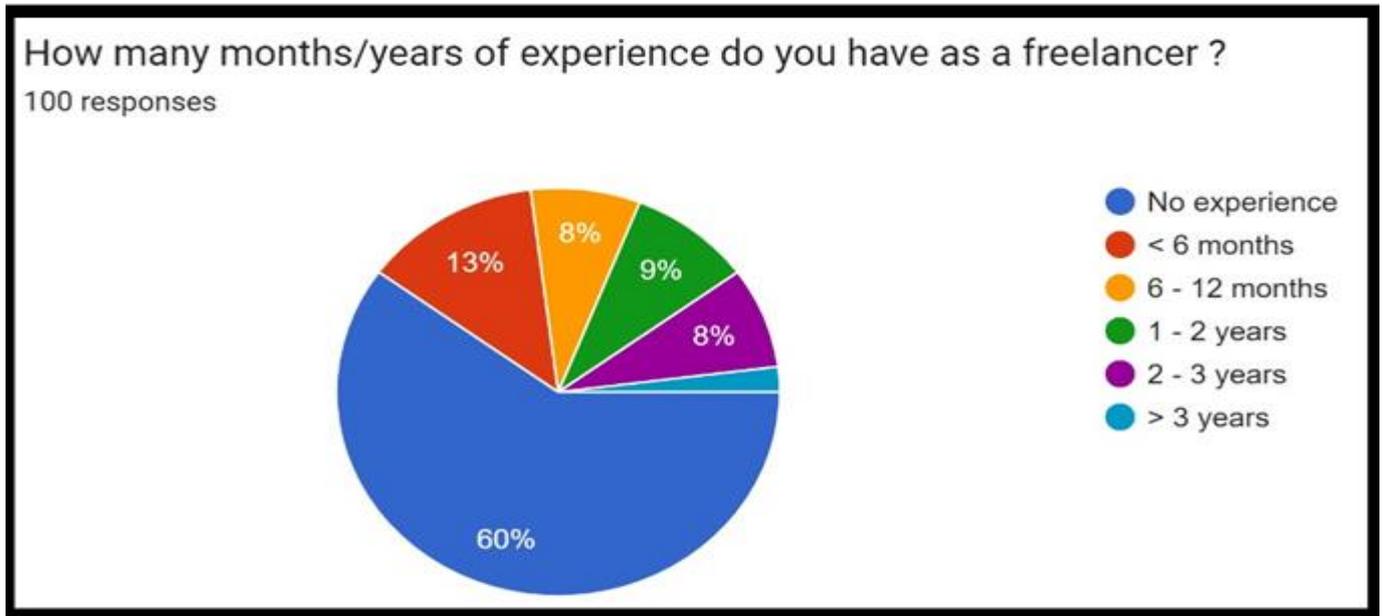
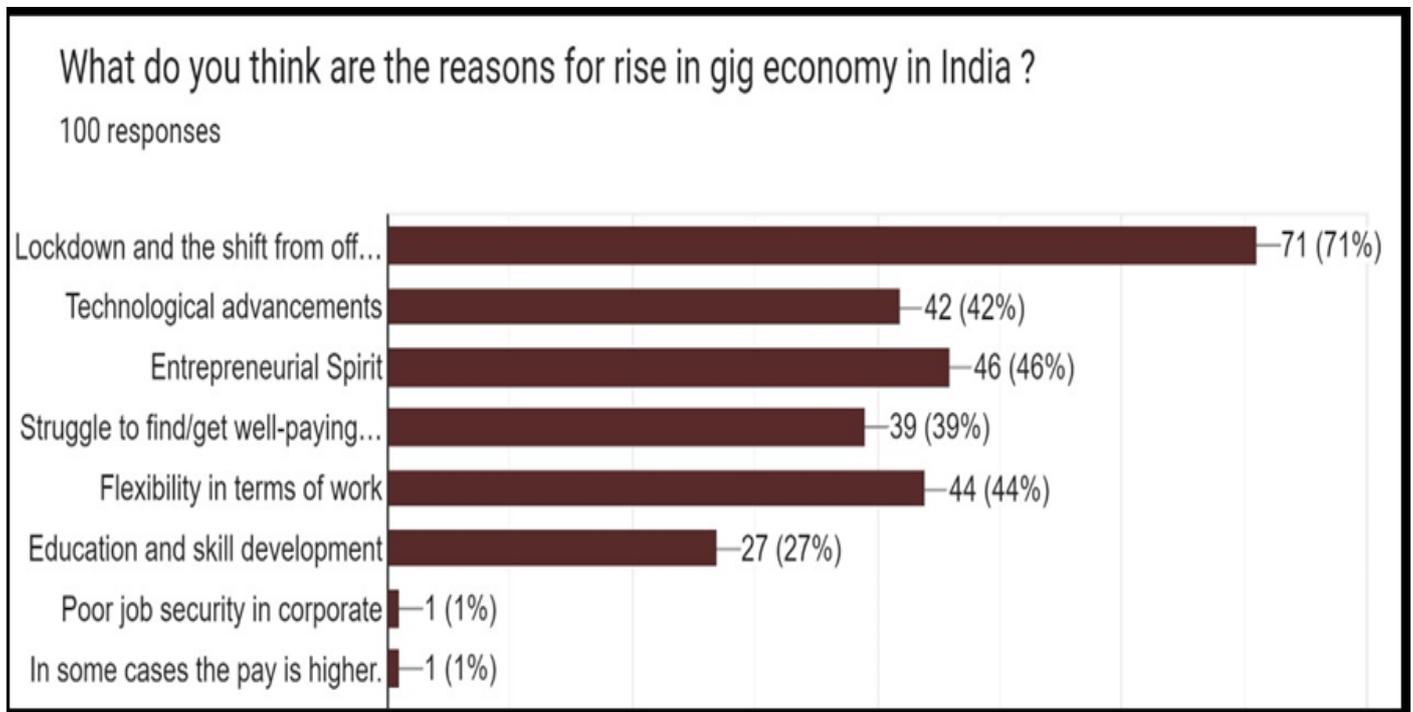


Fig 4: Occupation

Most of the respondents belonged to the age group of 18-25 years (94%). 67% were male respondents, while 33% were female respondents. Of the sample size, 13% respondents had less than 6 months of experience as a freelancer, 8% had 6-12 months of experience, 9% had 1-2 years of experience while another 8% had 2-3 years of

experience as a freelancer. Of the male respondents, 54% were students, while 5% respondents were students cum freelancers, and 2% population were freelancers besides being employed full-time. Of the female respondents, 14% were students, 7% were students cum freelancers while 4% were freelancers besides being employed full time.

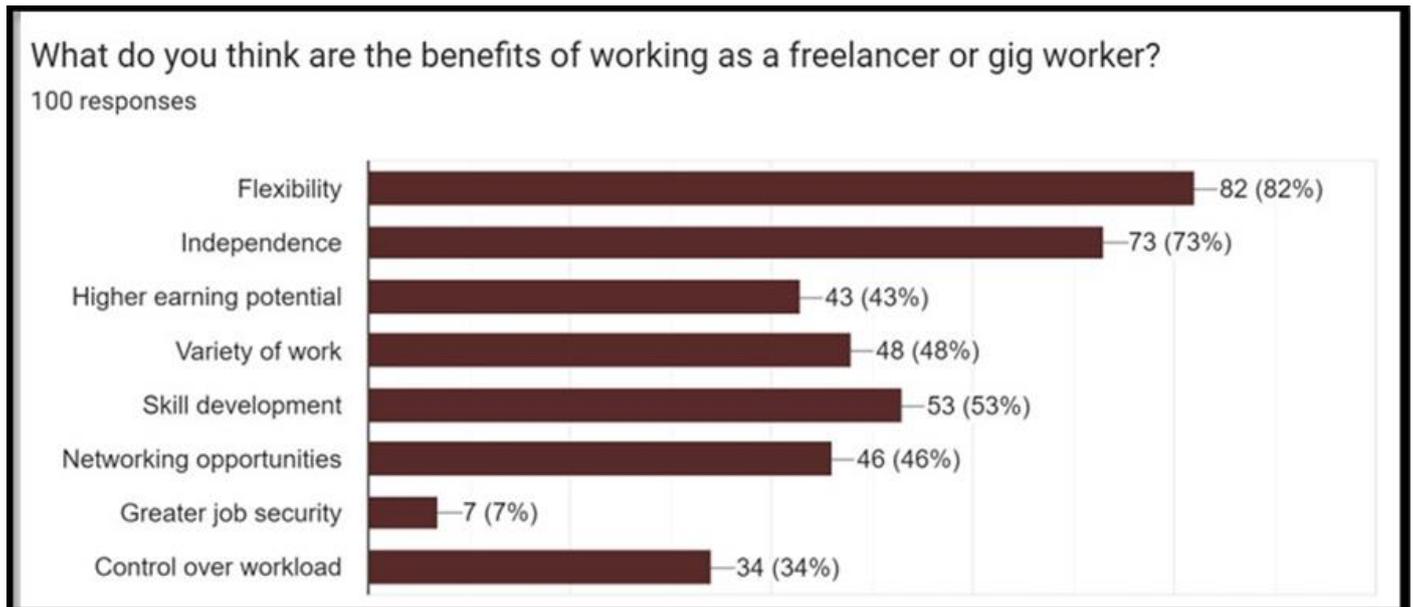
IV. DATA, ANALYSIS AND FINDINGS



Analysis 1: Reasons for Growth of Gig Economy in India

- Interpretation: The majority of the respondents are of the opinion that lockdown and shift from offline to online platforms is one of the biggest reasons for the rise of the

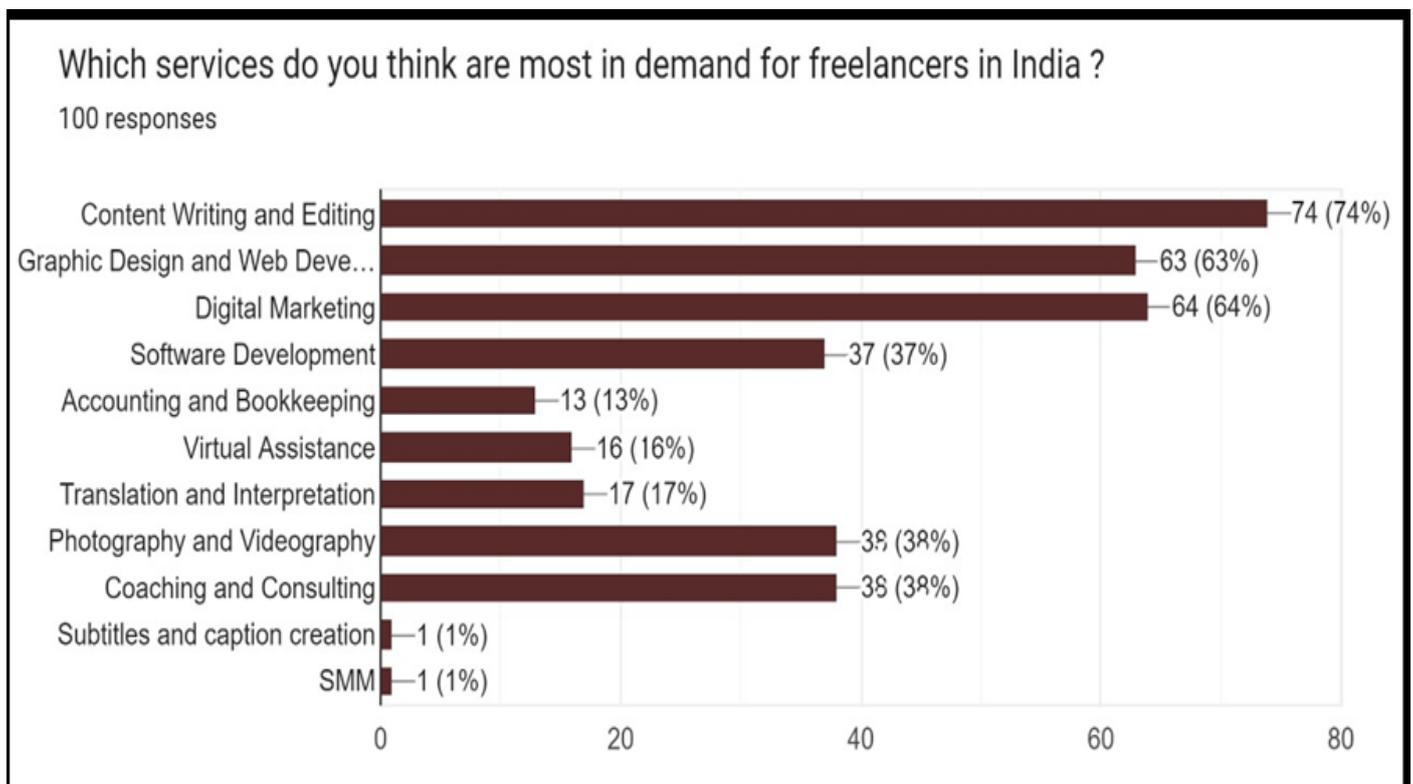
Gig Economy in India. Apart from that entrepreneurial spirit, flexibility in terms of work and skill development are supported as reasons for the growth.



Analysis 2: Benefits Associated with Freelancing in Gig Economy

Upon asking what they perceive to be the benefits associated with Gig Economy, 82% of the respondents think flexibility in terms of work is a very crucial benefit associated with freelancing, followed by work independence which is supported by 73% respondents.

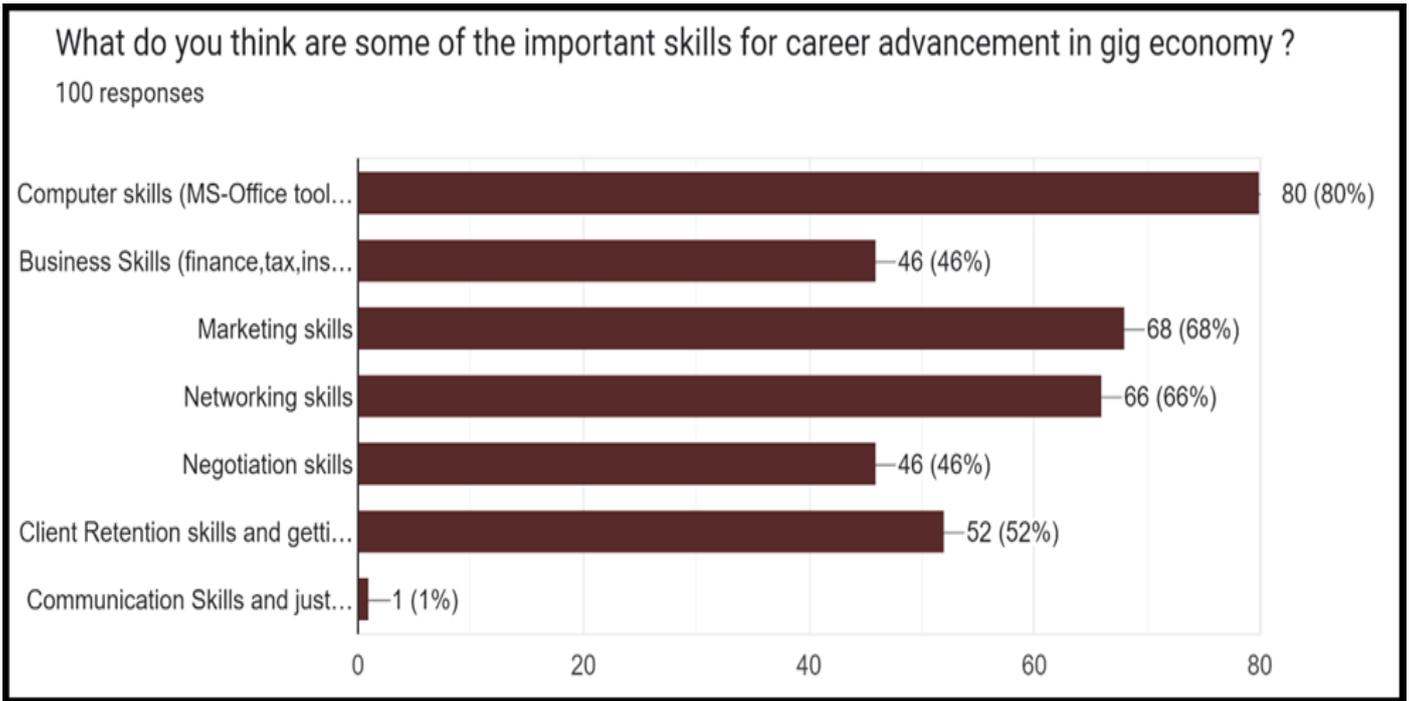
Respondents are also of the opinion that skill development, plethora of options in work, networking opportunities, and higher earning potential are some of the other benefits which they experienced/they perceive about freelancing.



Analysis 3: Services in Demand for Digital Freelancers

Freelancers typically work remotely, using technology and communication tools to interact with their clients. Upon asking which kind of services, they think are most in demand for freelancers at present, Majority Respondents replied with

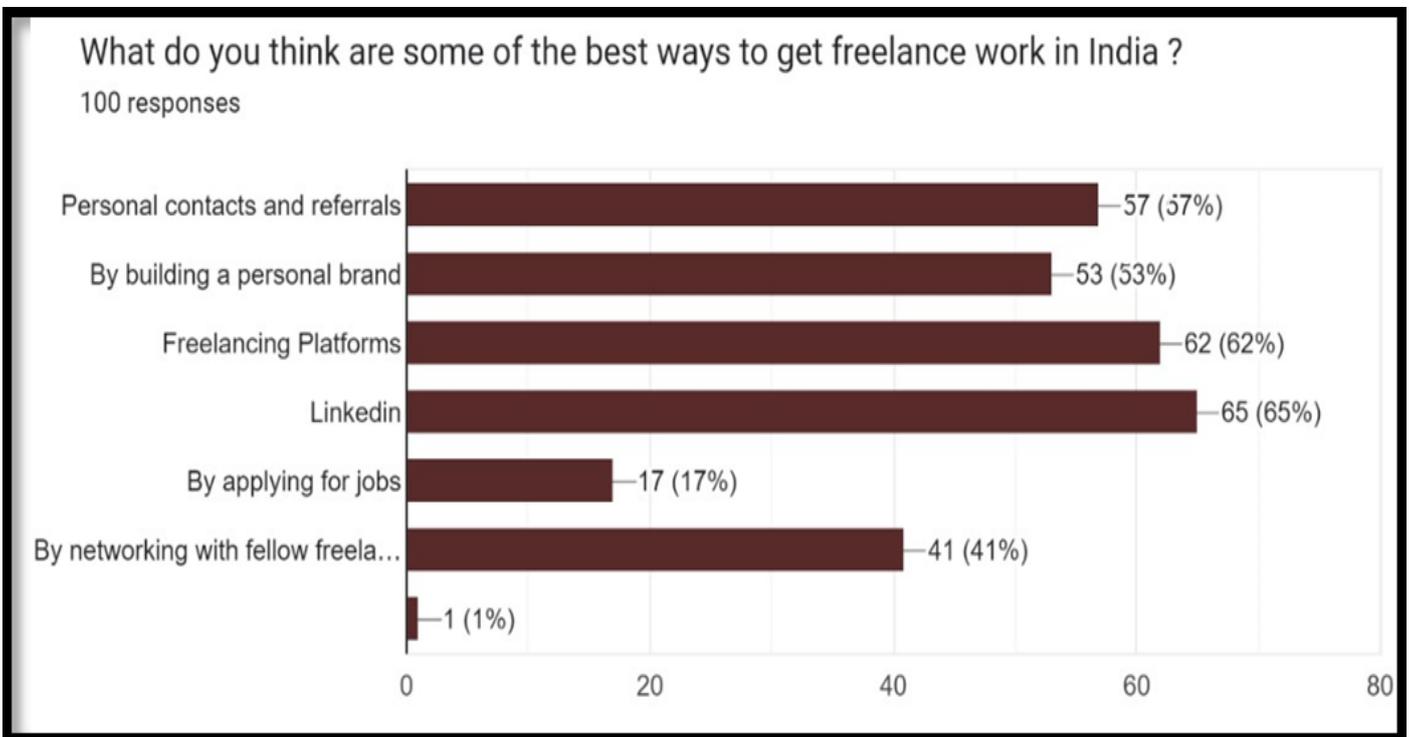
Content writing and editing as the most in-demand service for freelancers followed by graphic designing and Digital marketing, along with software development, coaching and consulting.



Analysis 4: Important Skills for Career Advancement in Freelancing

Due to the variety of work in freelancing, freelancers have to do projects and fill roles on a “as-needed basis” for their clients. For this, some of the skills are essentially required to make a sustainable living out of freelancing, especially in India as well as to advance one’s career. Upon

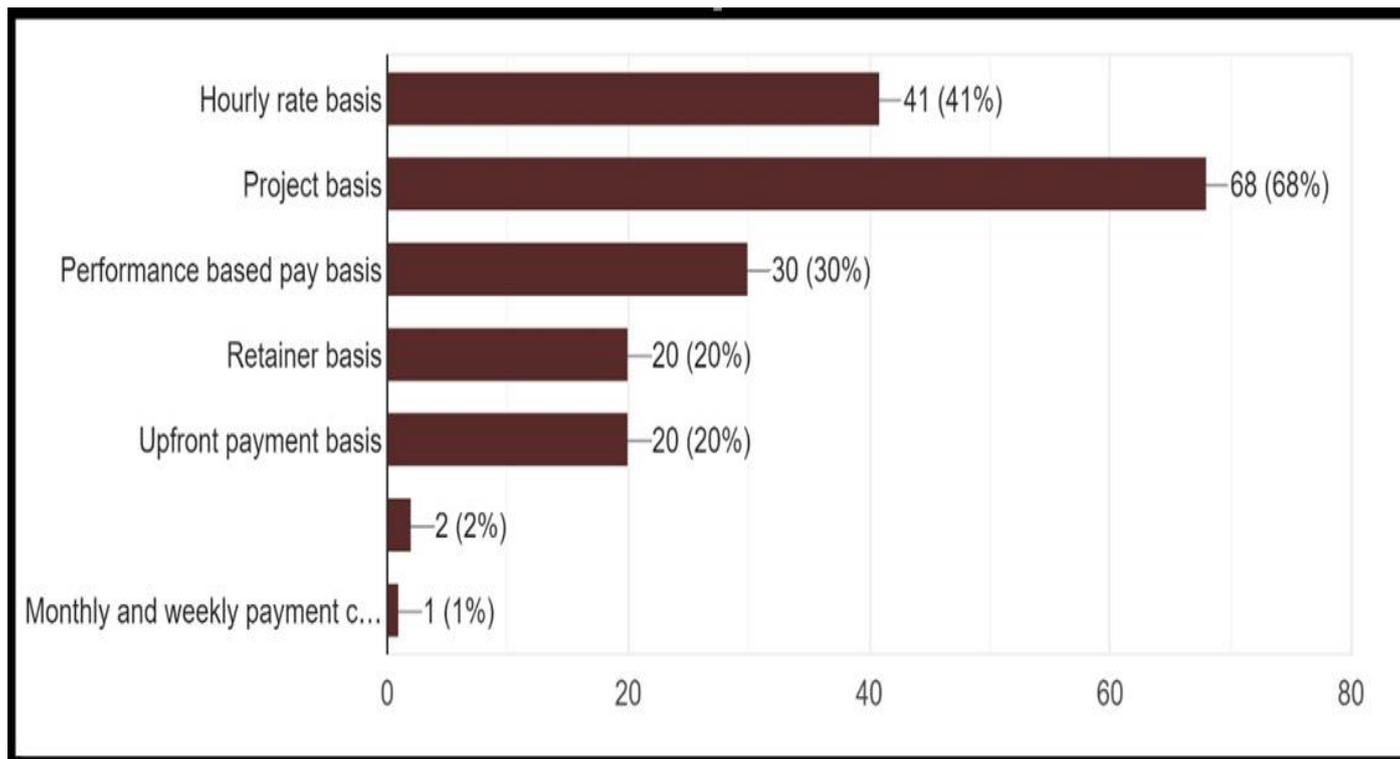
asking what are some of these skills, majority respondents (80%) replied that knowledge of basic computer skills like Ms. Office tools (MS-Excel, PowerPoint word), Photoshop, Canva are very essential, followed by several soft skills like Marketing skills, networking skills and negotiation skills.



Analysis 5: Client Acquisition Methods in Freelancing

In digital freelancing, clients are acquired mostly through some dedicated platforms. Preference of respondents towards platforms to acquire clients for freelancing can be

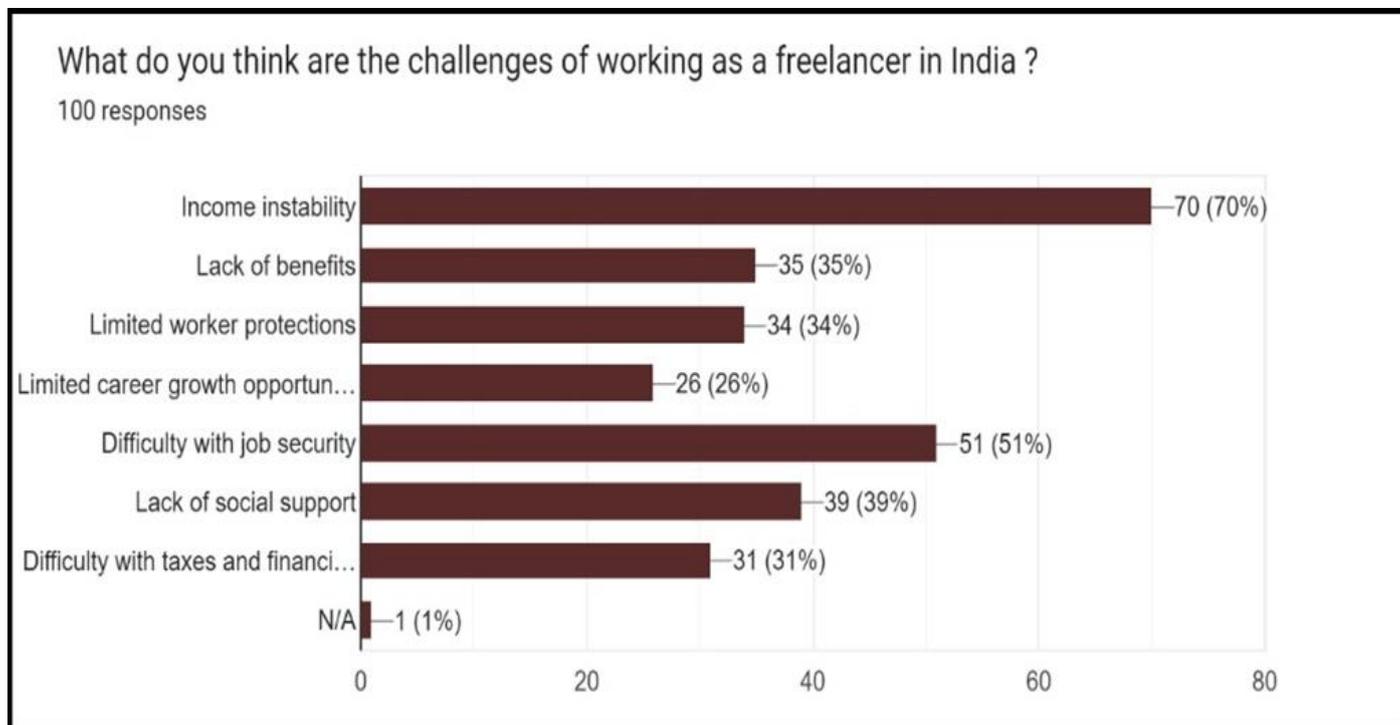
summarised as follows: LinkedIn - 65%; Freelancing platforms - 62%; Personal contacts and referrals- 57%; Building a personal brand – 53% ; Networking– 41%.



Analysis 6: Preferred Ways of Charging a Client

Respondents were also asked about the effectiveness of some of the platforms/methods for client acquisition. 68% respondents chose payment on a project basis, 41%

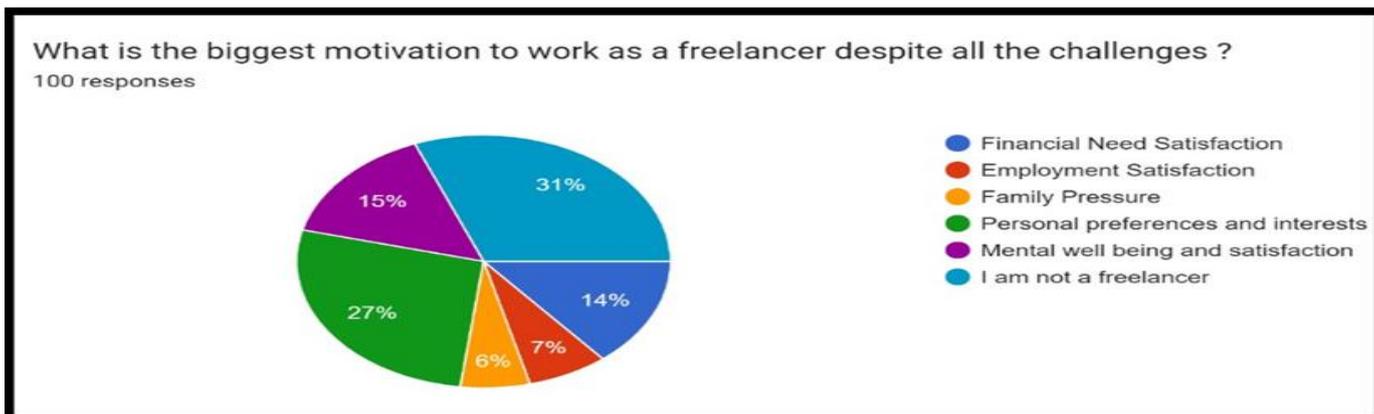
respondents chose payments on hourly rate basis and 30% respondents think performance-based pay basis as the most preferred ways of charging a freelance client.



Analysis 7: Challenges of Working as a Freelancer

70% of the respondents associate income instability as a major challenge of working as a freelancer besides difficulty with job security, lack of social support, limited worker

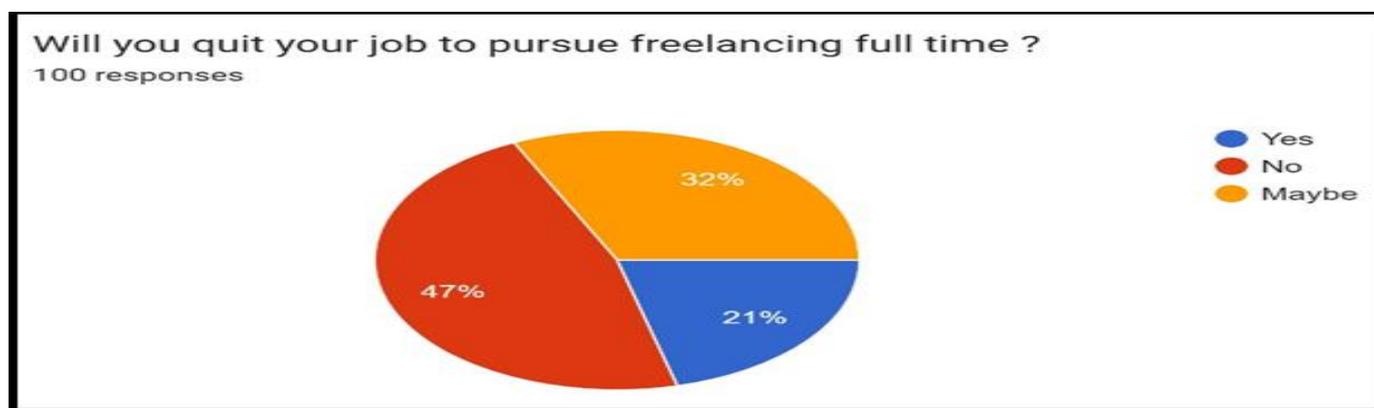
protection, and lack of benefits as some of the other challenges that are being faced as a freelancer.



Analysis 8: Motivation Behind Working as a Freelancer

People choose freelancing for a variety of reasons and this includes personal and family life, higher earning potential and mental satisfaction. While major respondents in the population are not freelancers, the rest have associate

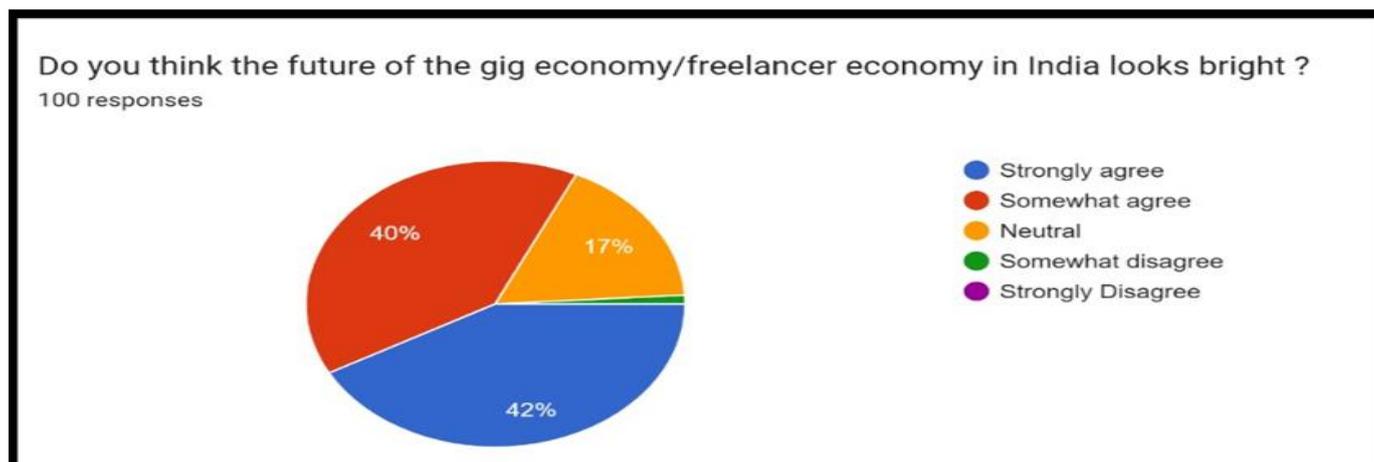
personal preferences and interests, mental well-being and satisfaction and financial need satisfaction as some of the biggest motivation behind pursuing freelancing.



Analysis 9: Freelancing as a Full-Time Career Option

For this survey, upon asking whether they would consider freelancing full-time, 21% of respondents replied that they intended to pursue freelancing full-time while 47%

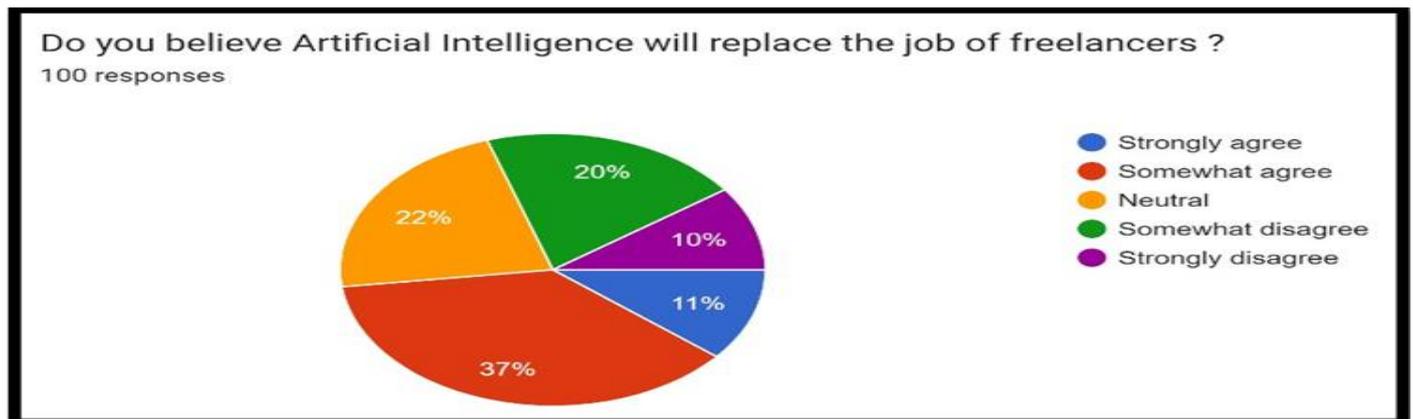
of respondents were unlikely to pursue the same. 32% of respondents might consider pursuing freelancing full-time.



Analysis 10: Perception Regarding the Bright Future of Gig Economy in India

Respondents were asked on their perception about the future of gig economy to which 42% respondents strongly agreed that the future looks bright, 40% respondents

somewhat agree to the statement, while 17% are neutral in their opinion.



Analysis 11: Is Artificial Intelligence Set to Replace Freelancers in Gig Economy in the Near Future?

With the advent of AI, various services which required human involvement are being replaced by AI-aided tools. Respondents were asked on their concerns regarding the same and if AI will replace the job of freelancers in future, to which 37% respondents somewhat agreed, 20% somewhat disagreed while 11% strongly agreed and 10% of the respondents strongly disagreed.

V. STATISTICAL ANALYSIS

From analysis 9, we got to understand the intention of the respondents to pursue freelancing full-time. While the majority of the respondents are unwilling to pursue freelancing full-time, there is also a significant percentage of the population whose intentions differ. From Analysis 10, we tried to understand the respondents' perception regarding the future of Gig Economy in India and the responses were mixed; mostly skewed towards a bright future. As an objective of this study, we have henceforth tried to find out if there is any correlation between the respondents' perception

➤ *The Observed Frequency Table is as Follows -*

Table 1: Observed Frequency Table

Frequency	Maybe	No	Yes	Grand Total
Neutral	8	8	1	17
Somewhat agree	11	25	3	39
Somewhat disagree		1		1
Strongly agree	13	13	17	43
Grand Total	32	47	21	100

The expected frequency table is as follows:

Table 2: Expected Frequency Table

FREQUENCY	Maybe	No	Yes	Grand Total
Neutral	5.44	7.99	3.57	17
Somewhat agree	12.48	18.33	8.19	39
Somewhat disagree	0.32	0.47	0.21	1
Strongly agree	13.76	20.21	9.03	43
Grand Total	32	47	21	100

Degree of Freedom	6
p-Value	0.003850404

regarding the future of freelancing and their intention to pursue freelancing full-time.

In order to find this association, hypothesis testing method has been introduced. Chi-square (χ^2) is used (which a statistical test) to find out whether there is a significant association between the two categorical variables.

VI. PEARSON'S CHI-SQUARE TEST:

➤ *Perception Regarding Future VS Intention to Pursue Freelancing Full Time*

- H0: There is no significant association between respondents' Perception about the future of Gig Economy in India and Intention to pursue freelancing full-time.
- H1: There is significant association between respondents' Perception about the future of Gig Economy in India and Intention to pursue freelancing full-time.

- Interpretation: For the above chi-square test, the significance level is set at 5%. The degree of freedom is 6 and the obtained p-value for chi-square test is 0.00385, which is less than the significance level of 0.05. This provides sufficient evidence to reject the null hypothesis (H_0) for the entire sample.

We thereby accept the alternate hypothesis (H_1) and establish the fact that respondents' intention to pursue freelancing full-time is dependent on their strong perception about the bright future of freelancer economy in India.

VII. SUMMARY OF FINDINGS

The analysis above shows that the respondents, consisting of freelancers as well as non-freelancers associate freelancing with flexibility and independence in terms of work, higher earning potential and skill development. There are many services in demand for freelancers and the demand may vary depending on the industry and region. Since the gig economy provides a diverse range of opportunities that workers can choose from, the study found out that some of the most in-demand services for freelancers in present time is Content writing, Graphic Designing and Web Development, Digital Marketing and Coaching and consulting. Some of the best ways to acquire clients are through LinkedIn, freelancing platforms, personal contacts, referrals, by building a personal brand and by networking with fellow freelancers. The most preferred ways of charging clients in freelancing are on project basis, hourly rate basis and performance pay basis. Retainer basis and upfront payment basis are other popular methods. Career advancement in Gig economy is directly proportional with the skills one possesses. These include knowledge regarding basic and essential computer skills, business skills as well as certain soft skills. The challenges associated with freelancing are income instability, limited worker protection, difficulty with job security and lack of social support and benefits. The study found that a significant percentage of the population consider it to be a safe career option. Based on the results of the survey, it is identified that most of the gig workers are motivated to join the gig economy in order to work as per their personal interests and preferences. AI can automate certain tasks which require human involvement. However, it cannot replace creativity, critical thinking and problem-solving skills that freelancers bring to their work. This is clearly interpreted from the survey results, which show that a significant percentage of the population are concerned with AI replacing freelancers while another percentage of population disagreeing that it wouldn't replace the work of freelancers. Based on the survey results, most respondents opine that the future scope of Gig economy and freelancing as a whole look bright. However, upon asking if they would like to pursue freelancing full time, the respondents were divided on their opinion with majority not willing to take up freelancing full time over a stable job. This is further supported by the statistical test which shows that the respondents who strongly favoured the future viability of Freelancer economy in India are more likely to quit jobs and take up freelancing full time than the ones who do not. Thus,

we concluded that there is significant association between respondents' perception about the future viability of this economy and their intention to pursue this career full time.

VIII. CONCLUSION

The gig economy is one of the most desired work-based trends in the present times. While freelancing in India is ever growing, workers should be prepared to face new challenges such as lack of stability and benefits like full time workers, besides enjoying the fruits of flexibility and independence. As the demand for specialized services are growing rapidly and so is the number of freelancers in the Indian economy, there is a crucial need for undertaking an exercise to estimate the size of the gig economy, and the typical features of this work culture. During an enumeration exercise (such as a CENSUS), it is important to gather information relating to the nature of contract between the freelancer and the job creator, the technology used in the work, etc. Against this backdrop, this research article attempts to identify and address issues from the perspectives of freelancers, specifically digital workers, and analyse the various dimensions of their work, so as to conclude on the growth and scope in this industry. The research done among respondents belonging to various occupational status establish that even the non-freelancers who are not part of this eco-system are well aware about the various benefits and challenges that this economy offers. Due to this awareness and acceptance, people are realizing the potential of freelancing as a viable and profitable career option. This is a signal that a number of people are willing to work as freelancers in the future, as found from the survey results. This can also be related to the fact that India has a skilled and educated workforce, many of whom possess high-level technical and creative skills. Freelancing provides an opportunity for such individuals to monetize their skills and work on projects that interest them. With all this comes the challenges and problems which needs to be addressed by the government and necessary policy actions would be beneficial. In the era of Artificial intelligence, it is important to understand the skills that are most in demand and are irreplaceable for this economy to emerge as a source of youth employment.

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