

## **Prospects of Impending Digital Platform Economy: Rise of Gig Work**

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### **Abstract**

When a corporation, third party, or online marketplace pays freelancers on a project-by-project basis, it's known as the "gig economy." The influence of the gig economy on the workplace is widespread and persistent. It has fundamentally transformed the way our economy runs and the way we engage people at work. The number of gig workers will continue to rise, as many of the finest and brightest people choose gigs as their major source of income. As a result of the rise of the gig economy, the industry's working environment has been adversely affected. Our focus in this post has been to examine both global and Indian developments in the gig economy, as well as its advantages and disadvantages.

**Keywords:** Gig Economy, Digital, Platform, Gig Work, Economy

### **1.Introduction.**

People throughout the world are connected to each other via digital platforms because of the widespread usage of the internet and the rising penetration of smartphones. Sharing talent requirements and contacting distant employees on digital channels benefits firms (Healy et al., 2017). As a result of these developments, the gig economy is becoming increasingly important and prevalent in the digital age. Companies use freelancers for short-term projects or service engagements in a free market system known as the "gig economy" (Techtarget, 2020). It's been customary for decades to work full-time, but the increasing number of people entering the workforce, technological change, and the current economic slump have left many people without the opportunity to do so (Manyika et al., 2016). As a result of a lack of long-term employment opportunities, many people are turning to contract work as "independent workers" or "gig workers" or "freelancers." This lifestyle choice was made by a few advanced nations' young labour to avoid the strict norms and regulations of long-term employment. While this may be the case in some nations, many gig platforms serve as a "bridge" to full-time work.

Digital start-ups have embraced the gig economy because it allows businesses to pay cheaper wages to contract workers and avoid possible lawsuits from employees during economic downturns (Friedman, 2014). Many small and medium-sized businesses, sole proprietors, and even some large organisations frequently hire gig workers for

short- and long-term projects in the gig economy's demand sector. Freelancers and other small businesses make up the bulk of the supply side. According to a new report, the "gig economy" is thriving in all corners of the globe. The number of independent contractors in the United States has increased from 3.7 million in 2014 to 62.2 million as of 2019. (Statista, 2020; Pofeldt, 2019). Many new online platforms, such as Upwork, Guru, and Fiverr, have made it possible for companies to find and hire contract employees (also known as freelancers) from all over the world. Additionally, a large number of self-employed or freelancers work from home by selling their services on the internet. As a result, freelancers may easily discover work/projects via internet channels. Increasing hiring from large corporations is a crucial component in increasing freelancing activity, according to Stephane Kasriel, CEO of Upwork, the world's largest network for independent contractors. 30 percent of Fortune 500 firms are now utilising the top freelancing sites, and the biggest recruiters are technology corporations, according to him (Pofeldt, 2019).

Previous research on the gig economy focused mostly on how regulatory framework and policies enable improved working conditions and pay and compliance with current labour laws for gig workers in local and global contexts. There is a surge in demand for jobs with flexible working conditions and no formal employment contract in developed countries where a new generation of entrepreneurs is emerging. When this happens, a shadow corporation is formed that is invisible to the general public (Friedman, 2014). Many talented workers from emerging economies have joined the gig economy due to the launch of prominent digital outsourcing platforms. Companies may now hire workers from all over the world for a fraction of what it used to cost in their native nations. Gig pros face difficulties in attracting a large number of projects from clients at reasonable rates because of these factors. Gig workers must be able to keep organised, maintain connections with clients, and fulfil deadlines for clients in other countries, as well as cope emotionally with clients from various cultural and geographic backgrounds if they are to be successful in this economy (Ashford et al., 2018). As a result, long-term success for gig workers depends on having a strong personal brand. When it comes to long-term success in the gig economy, careful use of marketing channels is essential. A growing number of Indian young educated professionals are joining massive worldwide freelancing platforms, contributing to the growth of the gig economy. In 2015, India had a workforce of 15 million freelancers, which was only second to the United States, which had 53 million freelancers (Verma, 2018). As a result of "driving efficiency, innovation, and competitive advantage while retaining the human resource cost at its minimal," India's recruiting professionals are increasingly turning to the gig economy, which allows freelancers to work when they want, when they want, and how much they want. Of the Indian gig workers, 41 percent work in Information Technology (IT) or its associated fields while being hired by both domestic and international clients (Verma, 2018). We provide an exploratory research on the future of the gig economy in this paper. Marketing and branding difficulties for gig professionals/agency are also included in the dynamic gig economy, which is not constrained by regional or cultural barriers. Gig employment and the skill sets required by multinational clientele are both highlighted in this report as important developments. Next, we'll take a look at the content itself. A literature review of the gig economy is presented in Section 2 and examines the most important work done by scholars in this sector. Section 3 focuses on developments in the gig economy and the Indian economy. Gig economy marketing and branding initiatives are briefly discussed in Section 4. Section 5 focuses on the Indian economy's potential for the gig economy. Following the conclusion, consequences, and future study directions in the closing portion of the paper, Section 6 discusses the problems.

## **2. Review of Literature**

"A form of work that is centred on people having temporary employment or completing several bits of labour, each paid independently, rather than working for an employer," according to the Cambridge Dictionary (2020). Micro-fragmentation of the labour market due to the rise of gig and micro-task employment has been labelled as a new avatar of Taylorism by researchers (Aloisi, 2015). As a result, prominent gig job sourcing platforms (Upwork, Amazon Mechanical Turk, Uber, TaskRabbit) and the gig economy are now available in all nations thanks to globalisation and computerizations (Aloisi, 2015). People in "poor nations" may now sell their goods to purchasers "in affluent countries" thanks to digital sourcing platforms. There may not be a big amount of money being generated by the gig economy, but it employs 53 million people and has a turnover of \$1.3 trillion (Staffing Industry, 2019). Researchers have previously looked at digital workers' lives and the challenges they face, such as a lack of bargaining power, an economic strategy for inclusion, and an inability to upgrade their skills to participate more fully in the global supply chain of workers in the gig economy. (Graham et al., 2017). Gig workers (also known as freelancers or independent contractors), requesters (customers), and intermediary platform corporations

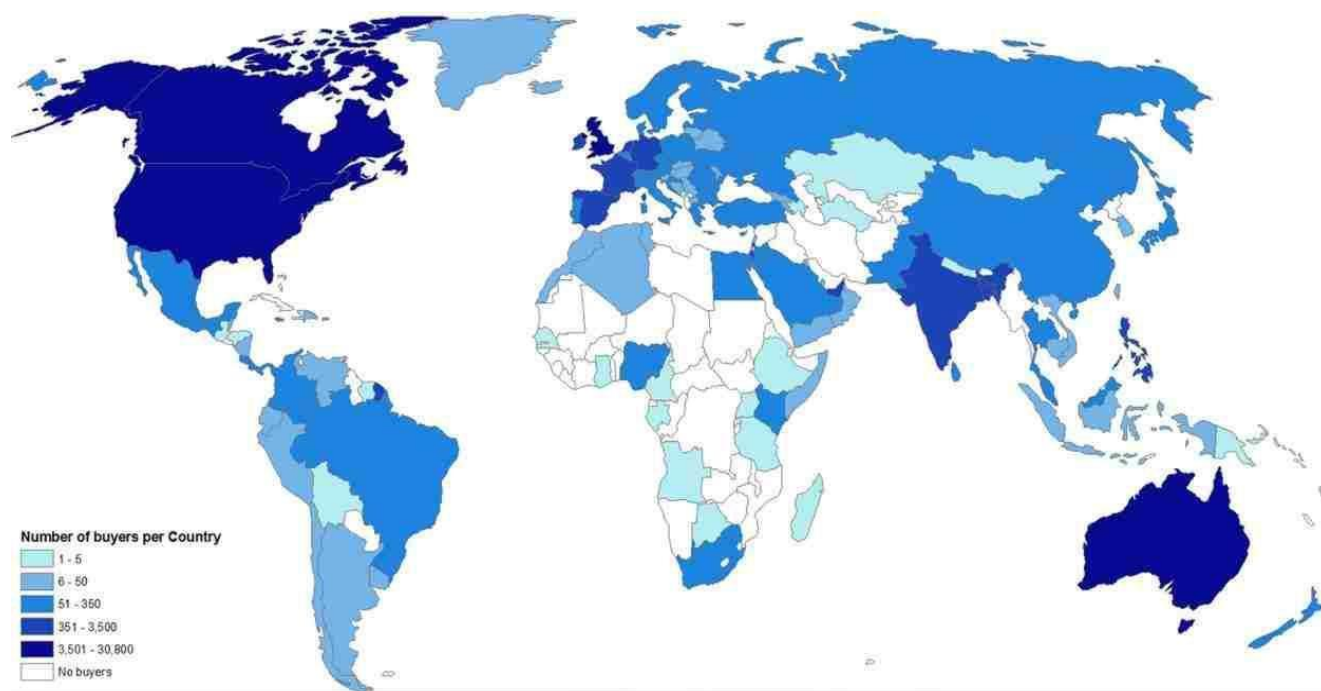
were identified in a recent study as the three main participants in the gig working environment (Meijerink & Keegan, 2019). Digital intermediary platforms play a critical role in linking independent contractors with customers without the need for a formal employment contract, while also assuring project completion and payment (Meijerink & Keegan, 2019). It has previously been stated that gig workers should enhance their skills by obtaining certificates and that the business should be bolstered by solid regulatory measures and democratic control over the digital platforms that they use (Graham et al., 2017). In addition, digital disruption has brought about a number of important shifts in the way gig workers manage their professional and personal lives in the new work environment.

### **3. The Gig-latest Economy's developments**

Due to the widespread use of on-demand outsourcing platforms like Upwork, Guru, and freelancers.com, the supply and demand for gig labour have become more distributed around the globe. Developed nations including the United States, United Kingdom, Canada, and Australia are the primary sources of demand (See Figure 1). Low-income nations such as India, the Philippines, and so forth supply (Graham et al., 2017). Overseas clients account for 75% of gig work done by freelance workers in the United States, whereas 90% of gig work is done by freelancers in developing countries (India, Pakistan, and Philippines). The hourly pay of gig workers in the United States are traditionally greater than those of their international counterparts since they work for local clients. Freelancers in low-income nations may now command higher hourly rates (ranging from USD 4 to USD 20) after acquiring new skills in IT and programming. In contrast, companies in affluent countries may reach freelancers in low-income countries through digital platforms (Beerepoot & Lambregts, 2015). As a result, they pay "labour arbitrage" and pay the lowest possible wage for the workers. There is a downward pressure on labour pay because to the gig economy's strong pro-employer stance in global content (Graham et al., 2017). Positive changes are occurring in the gig economy as large organisations begin to use freelancers for short and long term assignments. Initially, freelancers were exclusively employed as support staff by bootstrapping entrepreneurs, cash-strapped startups, and small firms. Many Fortune 500 businesses are now turning to gig workers to do a variety of non-core tasks, such as marketing, back-office work, and human resources administration (Caminiti, 2018). Many people are looking for work in the gig economy, but there are always more people looking for employment than there are jobs available on digital platforms. According to the data in Figure 2, the online market space is the most popular place for gig workers to find work (73%).

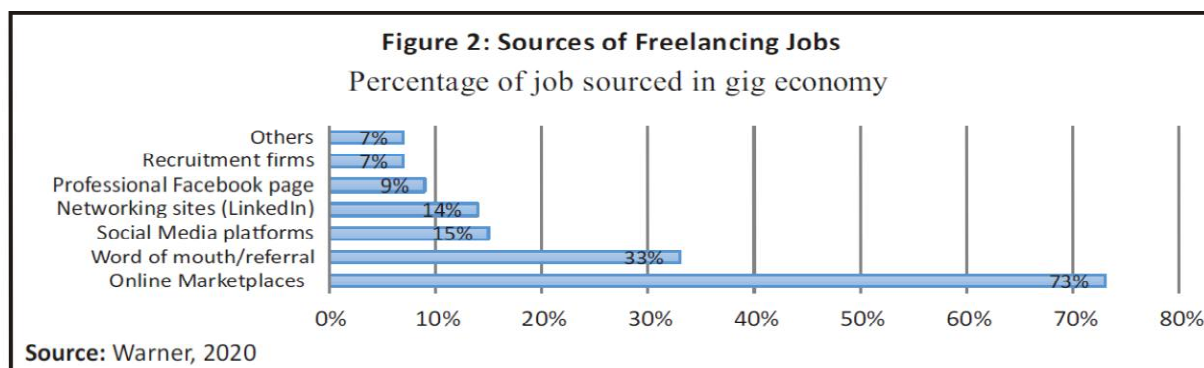
Freelancers.com, Craigslist, and Amazon are three of the most major participants in online marketplaces. Fiverr.com has 7 million registered users and Upwork.com has 31 million registered users correspondingly (Warner, 2020). There are many freelancers from underdeveloped countries bidding for gig projects at cheaper salaries (fees/hour) on these web marketplaces. Freelancers have a wide range of abilities that assist them gain employment on online platforms such as marketing, networking, and computer skills (see Figure 3).

Figure 1 : Distribution of Buyers and Sellers in Gig Economy





Source: Graham *et al.*, 2017



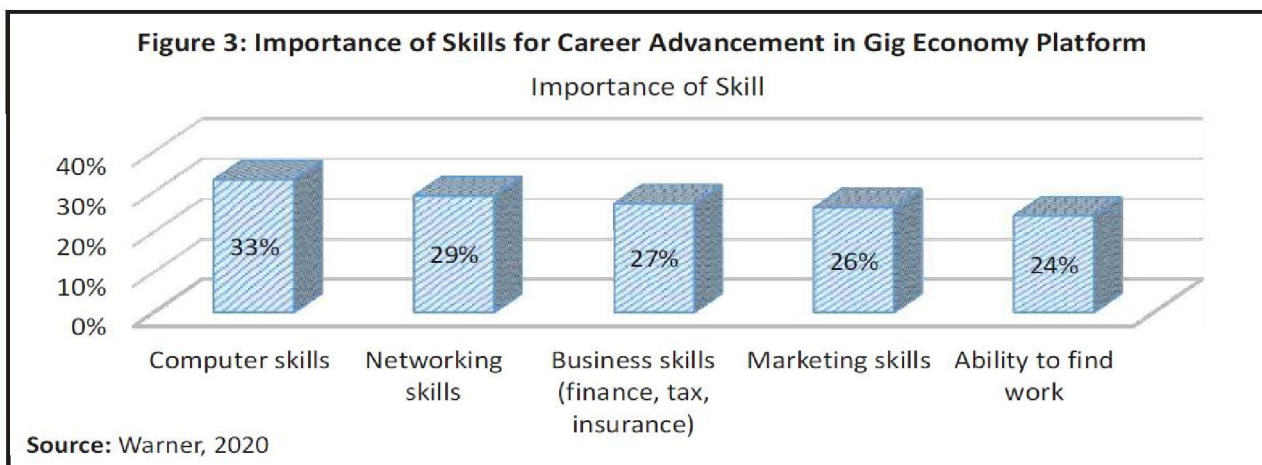


Figure 3 shows that a third of gig workers feel that having computer skills will help them develop in the sector (Warner, 2020). Another significant shift in the gig economy is the increasing proportion of younger employees (52% of gig workers are under the age of 28) as contrasted to the older generation (2% of freelancers are above the age of 60), as a result of the increased dependence on online employment platforms (Warner, 2020). Older gig workers, on the other hand, make more money than their younger counterparts. Only 28% of freelancers do gig work on a daily or weekly basis, hence 50% of gig workers are intermittent employees. A global gig worker's average hourly wage is \$19, according to Payoneer's 2021 Freelancer Income Survey. Rates range from \$11 to \$28 based on industry and level of expertise (Thibodeaux, 2020). In the gig economy, women are increasingly making up a larger share of the freelancing workforce because of the independence and flexibility that comes with working for themselves. It is this shift in labour management, cultural variety, and access to global resources that is predicted by the rise of the "gig economy."

#### 4. Marketing and brand strategy in Gig Economy

Adoption of new technology has a significant impact on the gig economy, since it allows customers to hire workers from both developed and poor countries. Millions of freelancers from poor countries can apply for employment offered on these websites using digital media. However, because of the proliferation of phony profiles on gig platforms, the market grows crowded. As a result, a simple administrative position placed on a freelancing website receives hundreds of applications. Selecting the right person for the task becomes increasingly difficult for the customer. Various procedures have been made by freelancing platforms such as Upwork and Freelancer.com to screen out those non-serious freelancers by verifying the personal details of freelancers, checking their backgrounds, verifying their prior earnings, and removing inactive accounts. Even still, getting fresh contracts on a regular basis remains difficult for contract workers. Personal branding is an uphill battle in the gig economy platform since the individual needs to represent themselves as competent and trustworthy in a competitive marketplace. It is necessary for him/her to distinguish themselves as more innovative and cost-effective in comparison to other long-term employees in the same field (Petriglieri et al., 2019). Gender has been discovered to be a significant factor in how clients perceive a freelancer's brand. Even while women earn just two-thirds of what men do, they nevertheless have to put in more effort to establish their online reputations (Barzilay & Ben-David, 2016). Freelancers on gig platforms, however, may create their brand regardless of their gender by optimising their pricing, feedback score and showing expertise and certificates; this applies to both men and women (Barzilay & Ben-David, 2016). As an independent contractor, you need to have the following qualities in order to succeed: the ability to maintain a steady stream of work, to stay on top of tasks, to maintain a verified online identity outside of your gig sourcing platform, to keep in touch with past clients and, finally, the emotional stamina to handle projects in different cultural contexts (Ashford et al., 2018). Self-branding is essential for long-term success in the gig economy at this time. According to previous research (Grugulis & Stoyanova, 2011), the strongest source for "procurement of job chances" on gig platforms is a freelancer's ability to build a strong social network within the framework of online gig working

platforms (Gandini, 2016). In addition to building a strong personal brand, it may be difficult for freelancers to find new clients through a variety of offline and online media outlets.

Over the past few years, freelancers have increasingly relied on gig-based internet platforms to get work (see Figure 2). Social media and word-of-mouth marketing are also used to reach out to new clients and show off their work and experience, with the latter accounting for 33% of all marketing efforts (Warner, 2020). Sponsored search engine marketing, such as pay-per-click (PPC) and Facebook paid campaigns, have been increasingly popular among gig workers in recent years. Thus, the main digital platforms no longer charge them large commissions or impose onerous terms and conditions on the projects they execute on their platforms (Key, 2017). The number of gig workers who utilise email marketing to keep their current and potential consumers up to date on their offerings is on the rise because of its cheap cost, trustworthiness, utility, and ease of deployment (Key, 2017).

### **5. Opportunities in the Gig-Economy**

Since most people lost their jobs during the crisis, the term "gig economy" was developed to describe the situation. Eighty-five percent of gig workers in the United States want to continue contract employment in the next five years instead of a typical job role, according to MetLife's 17 Annual U.S. Employee Benefit Trends Study 2019. This sort of job appeals to more than simply the regular freelancers. A growing number of full-time employees are turning to contract or freelance work as a way to supplement their income and some are even contemplating making the switch to solely working for themselves. Along with more opportunities for workers, the gig economy offers a way to provide "bridge employment" for those unable to find full-time work because of the recession (Donovan et al., 2016). Gig employment is becoming increasingly common in the business sector. When it comes to the business world, the "battle for talent" is nothing new, and most companies focus only on the bottom line in order to maximise revenues. You may be your own boss and accomplish what you love if you put your comfort and safety (or lack thereof) at risk. Companies are taking advantage of these people because it provides them with an immediate workforce, lowers costs, and speeds up the development of new ideas. There have always been freelancers working in areas like training, customer service, and website development and maintenance, but most organisations today prefer to have only a few regular workers in these positions and outsource the remainder of the work to external professionals. Firms benefit from the latest and most relevant expertise while paying a fraction of the normal price with this arrangement.

In India, the Gig economy presents a tremendous possibility for employment. The Indian economy is now experiencing jobless growth, which is resulting in a lack of growth that is inclusive for all. The gig economy has the potential to help young people find work. It can also open up new options for women because it allows women to work from home and at their own pace, resulting in an increase in the number of women taking up these positions. Incorporating a greater number of gig workers into the workforce can help companies streamline operations and save costs of operation.

### **6. The Gig Economy's Unique Set of Problems**

Despite the fact that the number of gig workers is steadily rising, these freelancers are still having a difficult time finding consistent work. Firstly, there are no rules in place to address gender disparities when it comes to securing gig employment on online gig platforms like Uber (Barzilay & Ben-David 2016). For one thing, there is a lack of framework and governmental support for building a climate that is favourable to high-quality work/projects, worker protection, and access to benefits as offered by traditional employment arrangements (Donovan et al., 2016). The rise of the gig economy and online talent portals has redefined 'jobs', creating a fundamental problem and a need for new labour models to address this new notion of 'work' (Horney, 2016). They are called self-employed or micro entrepreneurs and don't have the same perks that normal workers get, as demonstrated by Uber's predicament in the UK (Lusher, 2017). The long-term demands of the employees were significantly jeopardised by this new business strategy.

As a result of its adaptability, the short allocation model has been criticised as being less reliable and more easily manipulated (CIPD Report, 2017). Because there is no certainty of a continuous income for gig workers, it is difficult to determine their creditworthiness. Due to the lack of a social safety net in India, this is a critical issue. There may be legal entanglements and conflicts if intellectual property and confidentiality issues arise (Vaidyanathan and Bose, 2017). These complicate an already tangled web of affection. Employers face a major difficulty when it comes to protecting their employees' private information and gaining the intellectual property of



the products and services they provide. Because there is no "non-compete" agreement in informal labour arrangements, freelancers may be working for many rivals at the same time, endangering the company's interests. Concerns may arise when short-term staff members are given access to sensitive information. However, finding continuous work on digital platforms is the largest issue for most freelancers (seasoned or newbie). In addition, they have problems with payment security once a job is completed successfully. There are certain specific issues in human capital management in the gig economy. Businesses have to deal with a variety of difficulties, including keeping up with the ever-changing rules governing independent contractors and adhering to the Affordable Care Act's obligations. Because of this, the company must spend precious time and resources on these administrative activities. Companies may have to deal with opportunity costs. When it comes to hiring gig workers, companies need to conduct thorough due research. At the same time, it should protect user privacy, minimise system costs, and make the most efficient use of available resources.

## **Conclusion**

There are several elements that influence the growth and importance of India's and the world's gig economy, which this article discusses. Literature reviews and market research show that the gig economy's reach extends beyond the service sector and into the manufacturing sector, where it is growing at a faster rate (Gleim et al., 2019). Digital channels play a critical role in spreading gig culture to underserved regions of the world. Gig workers have various advantages in the gig economy, such as the ability to work in areas of interest and the ability to apply for jobs all around the world. Freelancers face several difficulties as a result of this arrangement, including lower salary, less social benefits, and a lack of employment stability. The advantages of hiring freelancers, such as lower prices, less responsibility, and access to talent on demand, are significant for corporations. Even with the use of freelancers to carry out commercial operations, firms may have difficulty protecting the privacy of their data, information, and intellectual property rights (IPR). A thorough literature analysis uncovered no reference of how an organisation may utilise freelancers to ensure copyright and data protection. Data privacy and security concerns in the gig economy may be examined in future study. Furthermore, there is a lack of research on the issue of freelancers' earnings and payment protection on digital platforms. Gig economy workers' rights need to be studied further in light of this. Very little study has also been done on how gig workers may develop their online brand and make use of various marketing channels in order to expand and develop their careers over the long run in the current economic climate. As a result, future research should focus on the elements that impact the marketing of freelancing products and the development of a strong brand in the gig economy.

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