



Research Paper

Gig Economy in India: From the Perspective of Challenges, Opportunities and the Best Practices

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ABSTRACT

Indian economy has a vast pool of talents which has indeed necessitated a demand for gig workers. As a result, there are some online platforms which have created about 26.6 lakh jobs keeping pace with a rising population and the workers employed in the platform based companies on a temporary contract facing the issues like indecent working, lack of social security, collectivization and a longer working hours, etc., which was particularly observed during the Covid pandemic. In this direction, this paper sheds a light on the significance of gig economy, challenges, opportunities and the best practices taken by the countries including India to the gig workers. The outcomes of this paper revealed that the workers have been identified with challenges associated with opportunities and the countries like Argentina, Australia, Brazil, Canada, Nigeria, South Africa and United States of America, etc., have implemented a several welfare measures for the sake of gig workers. However, both the Union and state governments which hitherto not implemented any welfare measures have to come up with the appropriate regulations with the existing labour laws regarding recognition, eligibility, fixed working hours and also ensuring a decent working conditions which is a need of the hour in the context of India.

KEY WORDS: gig workers, gig economy, challenges, opportunities & best practices

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I. INTRODUCTION

Indian economy is being propelled by the gig workforce which is one of the emerging trends of working independently and flexibly due to the advent of mobile technology and wide spread of the internet in the largest populated country. Thus, both platform and non-platforms organizations have provided jobs at 08 million and has the potentiality of creating gig economy jobs to about 90 million in the nonfarm sector in another decade with \$ 250 billion transactions contributing about 1.25 per cent of India's GDP. Furthermore, the study also identified specific sectors which are said to be having a lot of potentiality of creating gigable jobs in construction, manufacturing, retail and transportation and logistics in the future (BCG and Michael & Susan Dell Foundation, 2021). Additionally, the creation of around 56 per cent of new employments by gig economy, particularly in both blue-and white –collar workforce (TeamLease report, 2019) and an ASSOCHAM study also estimated that gig would be expected to grow to whopping \$ 455 billion at a CAGR of 17 per cent by the year of 2024 (IBEF, 2021). Many forms of gig work are based on a contract which largely makes difference between gig workers and traditional workers and they are termed as independent contractors who lack workplace protections and other entitlements (ILO 2018b). In addition to that, the collectivisation of platform based workers has been rising; but, not yielded any fruitful results in terms of negotiations due to a weak collectivisation (Fairwork 2021).

II. REVIEW OF LITERATURE

Noorziah Mohd Salleh, Sri Norfitriani Mohamed Shukry, Velarie Maylyn Claudius Jokinol (2023): this study focused on the challenges, effects, and motivations of the gig workers in the study area of Kota Kinabalu, Sabha, Malaysia. Thus, a semi structured interview was used as a tool of data collection by which the study

explored that gig workers faced a problems related to job security and its benefits which adversely impacted on the livelihood of the workers due to the financial instability.

Pakiza Samad, Refia Wiquar & Md. Daoud Ciddikie (2023): this article attempted to examine the growing trend of the gig workers across the world, particularly in India. In this way, the article studied the background, current trends and the future prospects of gig workers in wake of the rising number of gig workers. In respect of the inferences, this article highlighted the issues relating to the introduction of a gig based business models associated with the inclusion of gig workers as a significant element of human resource.

Maria Hameed Khan, Jannine Williamsht and Robyn Mayes (2023): this article examined the decent working conditions of gig workers in respect to the precarious and indecent conditions. As a result, this study threw a light on the relational perspective and centrality of workers i.e. decent work, social interactions, etc., by which the findings of the study put an emphasis on the spectrs of caring self and also others when joining as a gig workers.

Niels van Doorn and Aaron Shapiro (2023): this study presented the insights pertaining to the survival of gig workers and platform companies from giving priority to the reproductive practices and relations point of view. Moreover, this article also explored the pre and post platform –adjacent practices in the form of the availability of resources and required infrastructure thereby shedding a light on the regulatory, dependence, commitment and also building a socio-economic equality of gig workers by empowering the platform economy.

NEED FOR THE STUDY

Gig workers are new form of workers who considerably contributes to the economy of India. Thus, the advent of technology has played a vital role in propelling the varied type of platform and non-flat form businesses relating to the gig workers; while, they are said to be out of the conventional employment facing a varied challenges including the social security. In this backdrop, this paper throws a light on the gig economy, opportunities, challenges and the best practices taken for gig workers.

III. OBJECTIVES

To understand the significance of Gig economy

To shed a light on the challenges and opportunities of Gig workers

To analyze the best practices and initiatives for social security to Gig workers

IV. METHODOLOGY

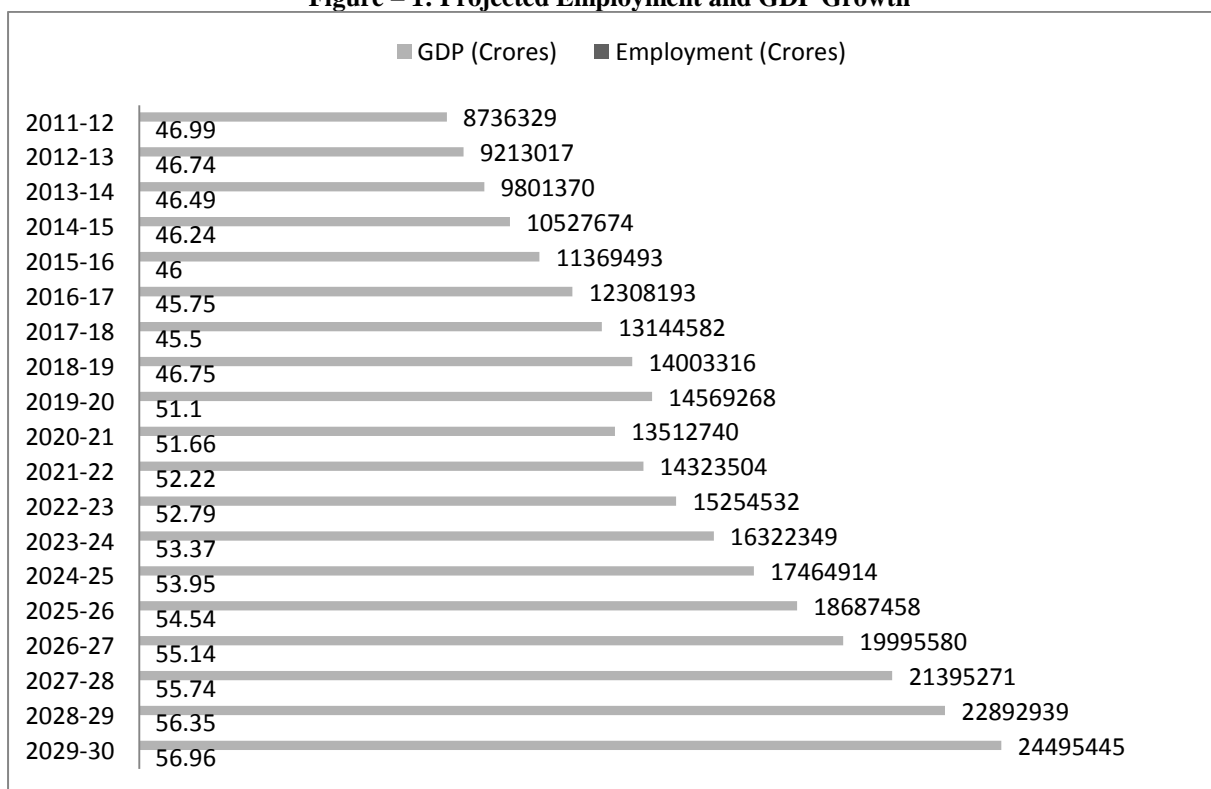
This study is a descriptive based on secondary data which were compiled from different sources viz., reports, journal articles, books and the related websites. Besides, the secondary data was analyzed using the tables and graphs so as to fulfill the aforementioned objectives.

V. RESULTS AND DISCUSSIONS

SIGNIFICANCE OF GIG ECONOMY

The economy of India has been the fastest growing in the world which primarily necessitated to the diversified jobs. In this context, one of the emerging jobs such as gig workers who are said to be the major part of labour force working as platform and non-platform basis contributing to the economy at large. In this way, it is imperative to understand as to how gig workers play a greater role in advancing the economy into gig economy and a several studies have been carried out signifying that numbers of gig economy jobs are increasing every year in this regard.

Figure – 1: Projected Employment and GDP Growth



Source: NITI Aayog. (2022). India’s Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work. June, 2022.

Figure 1 estimates the growth of GDP and employment in crores based on the actual values from the years 2011-12 to 2019-20. As such, the employment growth has observed increasing from 46.99 crores in 2011-12 to 51.1 crores in the 2019-20; while, the GDP growth was recorded Rs. 8736329 crores in the 2011-12 to the actual of Rs. 14569268 crores in the 2019-20 respectively. With these values, the projected growth of employment is seen rising consistently from 51.66 crore in the 2020-21 to 56.96 crores in the 2029-30; at the same time, the projected growth of GDP is perceived rising from Rs. 13512740 crores in the 2020-21 to Rs. 24495445 in the 2029-30 respectively. In light of the above statistics, one can infer that both the growth of employment and GDP would move in a positive direction thereby leading to the robust gig economy.

OPPORTUNITIES AND CHALLENGES OF GIG WORKERS

One of the challenges is accessibility to the gig work. In fact, it is indeed applicable to the rural men and women who having a poor digital connectivity and mobile phones to be employed as gig workers compared to their counter parts in the urban area (IWWAGE 2020). Although, one who is willing to work has to commute from their rural residency to the urban area either to working or in search of a job.

Insecurity

The nature of gig work is purely temporary or task specific which makes workers feel insecure, particularly in the large workforce of India. As per the study (Fairwork, 2020), these type of workers are basically not considered as employees by their employers lacking the benefits of income and social security, etc.

Safety and health risks

Gig workers are classified as platform and non-platform that face the problems of job safety, particularly taxi drivers and delivery partners who are supposed to encounter road safety, theft and physical attack (ILO Freelance survey). Furthermore, workers related to delivery sector are said to be facing discrimination and harassment the study conducted by ILO, 2021.

Skills mismatch

One of the critical issues of employment is skills mismatch which is especially true in the Indian context. Online based platform workers like delivery partners, freelancers and other type of workers are found with the higher educational qualifications to which they are not earning commensurately by engaging in poor and meagre paid jobs compared to the traditional job holders (ILO WESO 2021).

Contract and weak collectivisation

Many forms of gig work are based on a contract which largely makes difference between gig workers and traditional workers and they are termed as independent contractors who lack workplace protections and other entitlements (ILO 2018b). In addition to that, the collectivisation of platform based workers has been rising; but, not yielded any fruitful outcomes in terms of negotiations due to a weak collectivisation (Fairwork 2021).

Opportunities

The gig economy of India has the potentiality of serving up to 90 million jobs in the nonfarm segment and it would roughly contribute about 1.25 per cent to the country GDP.

Start-ups in the country have had a crucial role in creating the employment opportunities. In this way, a few start-ups have gained the reputation of providing gig jobs to the rising young population like Ola, Uber, Zomato and Swiggy, etc., have drastically transformed the platform of online jobs. Moreover, the gig sector is capable of growing to US \$455 billion at 17 per cent of CAGR by 2024 (an ASSOCHAM report).

The gig economy has much independence who desires of earning extra money associated with the adjustability by improving their skills with a varied roles assigned which definitely enhance their a level of income than the traditional employment.

The platform based economy requires workforce with a multiple skills which is up to the industries or start-ups to hire labourers accordingly. In this direction, the platform economy unplugged to over 44.7 per cent of the workforce who have learnt using smart phone skills (MoSPI, 2017) which is certainly a big opportunity for the young population to be employed.

BEST PRACTICES AND INITIATIVES FOR SOCIAL SECURITY TO GIG WORKERS

Every country in the world has come up with varied regulations in order to protect the gig workers from unforeseen incidents. In this direction, the following countries have brought in the regulations for the sake of workers who are deprived of several benefits as a one who is traditionally employed. In the context of India, there are both platform and non-platform workers constitute a huge workforce who have been assured of providing social security benefits to ensure a decent work in the wake of post pandemic.

Table-1: Diverse practices of regulation for platform workers across the world

Countries	Regulations
Argentina	Prohibition of child labour, including through platform work
Australia	Occupational safety and health obligations transcending employment relationship
Brazil	Occupational safety and health coverage transcending employment relationship
Canada	Unreasonable dispute resolution process invalidated
China	Work injury benefits extended to some platform workers
Denmark	Collective agreement pertaining to certain platform workers
France	Right to disconnect for some platform workers
Germany, Austria, Sweden	Organizing online web-based platform workers
India	Social security benefits extended to platform workers
Indonesia	Work injury benefits extended to some platform workers
New Zealand	Occupational safety and health obligations transcending employment relationship
Nigeria	Data protection regulation affecting platform workers
Peru	Establishment of fund for COVID-19 and data transparency
Republic of Korea	Work injury benefits extended to some platform workers
South Africa	Anti-discrimination law applying to all workers
Spain	Mandatory employment injury insurance legislation
United States	Diverse approaches to classification of platform workers
Uruguay	Digital social security contributions and tax payments for platform workers

Source: ILO Flagship report-2021, page-198.

Apart from the measures taken by the respective governments, particularly India which has also taken the following measures in order to protect the platform workers and their families during the Covid-19 pandemic. Thus, few platforms such as Ola, Uber, Swiggy, Zomato, Flipkart, Dunzo and Big Basket had played a key role in ensuring the benefits of social security to the segment of Gig economy i.e., platform workers.

Supporting the livelihood of workers and their families

Ola expedited a free medical assistance of up to INR 30,000 to the drivers and their spouses and also encompassed the expenses of hospital as well as home quarantine. Besides, Urban Company gave away INR 1.5 Cr to a Covid-19 relief fund for helping the families of 30,000 gig workers. Additionally, Delhivery had made a provision for paid sick leave to more than 40,000 central, field employees and partners as well without any limitations.

Securing income and livelihoods of gig workers and small business

Ola created a fund of Rs. 20 Cr called 'Drive the Driver Fund' through which auto-rickshaw, cab, and taxi drivers were given a support to alleviate the repercussions of the Covid-19 during the nationwide-lockdown. Moreover, the same platform also enabled an immediate accessibility of cash for 100,000 eligible drivers – partner families by partnering with Avail Finance for household expenditure against future earnings. At the same time, one of the platforms so called Urban Company had extended interest-free advances for business and waiting payback periods so as to protect the self-employed, small business and gig workers as a whole.

Protecting workers in the work environment

Several platforms have introduced dedicated hotlines and websites to spread information and take preventive action accordingly. As such, platforms, particularly food and other deliveries made mandatory use of hand sanitizers and masks to delivery partners who used to wash their hands frequently thereby observing 'coughing etiquette' by WHO and health ministries at the global level. During the prevalence of the pandemic, in order to ensure the safety of workers; food and grocery delivery platforms adopted contact-less protocols and temperature checks for personnel which further facilitated the use of digital mode transaction.

Active fiscal policy & accommodative monetary policy

Some of macroeconomic policies (fiscal & monetary) comprise a slew of measures in the form of unemployment benefits, tax relief and public investment, etc., for the gig workers, self-employed and Micro, Small and Medium Enterprises (MSMEs). Furthermore, the government of India has made an announcement of INR Rs. 20 lakh Cr package in the year of 2020 under Atmanirbhar Bharat Abhiyan so as to cater a various segments of the economy including MSMEs, labourers, middle class, industries and others, etc. In this backdrop, over 20 state governments and the union have brought in a series of measures i.e., medical insurance coverage, in-kind transfer of grains and pulses to beneficiaries in the consideration of the various existing schemes.

VI. CONCLUSION

The companies of Gig platform has been the largest job provider in India to the rising young population ever since the growth of information and technology which has truly transformed the current scenario of the labour force. Consequently, the culture of temporary and flexible job nature has seen exponential growth thereby contributing massively to the GDP and improving a standard of living. In contrast, the gig workers don't have any social protection benefits because of a jobs temporary nature or contract and lack of collectivisation led to the deprivation of social security. As a result, many countries including India have taken a number of welfare measures in providing a social safety net to the gig workers on account of the Covid pandemic which also paved the way to the companies in India to have extended the benefits of social security to the platform gig workers. However, both the Union and state governments which hitherto not implemented any welfare measures have to come up with the appropriate regulations with the existing labour laws regarding recognition, eligibility, fixed working hours and also ensuring a decent working conditions which is a need of the hour in the context of India.

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