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Date: 15/04/2021

Gig economy

The term “[gig economy](#)” has gained huge currency at present, however, it is not a new concept but certainly the arrival and success of platform-based companies has made it a common term. In India also we have always seen the equivalent of gig workers in both urban and rural areas in the form of temporary farm workers, daily wage construction workers and many others. It is only that personnel references and offline networks have been replaced by a technology-enabled platform. Globally more than 200 million people are part of the gig economy with developing economies showing more participation than the developed ones. Also, most of the jobs are low-income types like delivery, ridesharing, care, etc. Survey report by [Ernst & Young](#) in 2017 had estimated that 24 percent of the global gig force was from India. Different reports, surveys and studies have tried to define “gig work or worker” in different ways but broadly we can define it as a temporary and transactional work for which payment is made on task basis or time basis and may or may not comprise any formal contract.

Recently, the consultancy firm BCG has come with a report which says that the gig economy can serve up to [90 million jobs](#) in the non-farm sectors in India with a potential to add 1.25 percent to the GDP over the "long term." It also says that the gig economy can lead to transactions of over USD 250 billion over the long term. In the short-to-medium term, nearly 24 million jobs in skilled, semi-skilled and shared services roles could be delivered via the gig economy, including nearly 3 million shared services roles and around 8.5 million roles meeting household demand. Identifying construction, manufacturing, transportation and logistics, and personal services sectors as creator of a majority 70 million 'gigable jobs' it says that small businesses will be at the driver's seat. Over the long term, there will be around 35 million skilled and semi-skilled jobs across sectors, the report says. The report added that five million jobs can get delivered via shared services roles like facility management, transportation, and accounting, and 12 million can arise from household demand for services, while 37 million unskilled jobs can come from

across various sectors of the economy. The gig economy could create about one million net new jobs over the next two-three years by aligning near-term incentives of employers and workers, it said. It said gig workers are typically younger, work fewer hours a day, are relatively less educated, and more often serve as secondary contributors to household income.

Last month a number of incidents have come up involving the gig workers. While the case of a customer's scuffle with a Zomato delivery boy got wider media attention another incident of an Uber driver also came to light. The case of Uber driver [Niredi Srikanth](#), who could not continue with the ride hailing service after he came back from Tirupati with a shaven head has been taken up by the union. Srikanth claims that the Uber app did not allow him to log in because it failed to recognize his changed appearance. Uber says the driver lost access to the app for violating community guidelines of the company, not because his changed appearance. The company has not shared details about which guidelines were violated. The [Telangana Gig and Platform Workers Union](#) took this issue and planned to reach out to the central and state governments demanding strict action against companies such as Uber and Ola over the controversial sacking of a Hyderabad-based Uber driver and other technological issues faced by gig workers. The association also invited people across the country who have been impacted by the technological issues on platforms of the cab firms to share their stories and be a part of the movement.

In the [gig economy](#), the app-based businesses label themselves as “marketplace” or “technology platforms” and workers as “partners” or “self-employed persons.” There is no formal employee-employer relationship in these firms. These terminologies have multiple benefits first, it enables the firms to evade legislative frameworks which ensure labour safeguards and state-regulated rates for services (like taxi fares as set by the government), second, it also allows them to transfer costs of owning and maintaining assets like cars and motorbikes on to platform workers. The main economic benefit goes to business organizations that can increase their sales and reduce labour costs. The workers are at mercy of the organization hiring them or, worse, the customers who might give them a poor [rating](#). However, the Code on Social Security provides for the possibility for “platform” and “gig” workers to be eligible for certain social security benefits. However, there is an equally urgency that governments must evolve regulatory frameworks which uphold the [rights of platform workers](#) to collectively bargain, create clear and effective mechanisms for resolving disputes and grievances, make platforms accountable for workers' income security and ensure workers access to their data.

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