



## ISSUES FACED BY GIG WORKERS - GS III MAINS

**Q.** Critically examine the challenges faced by the gig workers and suggest measures need to be taken to protect their interest. (15 marks, 250 words)

**News:** *Gig workers demand model law, labor rights, social security.*

### What's in the news?

- Recently, the National Coordination Committee on Gig Workers (NCCGW), an umbrella organization of several unions working among gig and platform workers, protested in front of Parliament and demanded the Centre for a model law for the sector so that these workers get social and job security.

### Gig Economy:

- A gig economy is a free market system in which organizations hire or contract workers for a short span of time.
- Simply put, the positions are temporary to meet the company's requirements by having short-term engagements.
- Startups like Ola, Uber, Zomato, and Swiggy have established themselves as the main source of the gig economy in India.

### Gig Workers:

- According to the **Code on Social Security, 2020 (India)**, "A gig worker is a person who performs work or participates in work arrangements and earns from such activities, outside of the traditional employer-employee relationship."
- They are independent contractors, online platform workers, contract firm workers, on-call workers and temporary workers.

### Status of Gig Workers in India:

- A NITI Aayog study on "**India's Booming Gig and Platform Economy**" has estimated that at present, about 47 per cent of the gig work is in medium-skilled jobs, about 22 per cent in high skilled, and about 31 per cent in low-skilled jobs.
- These figures clearly indicate the importance of the gig working community in the Indian economy.
- Ensuring the comfort and security of this community is investing in a more progressive and prosperous future.
- Research studies by Boston Consulting Group (BCG) have indicated that participation in the gig economy is higher in developing countries (5-12 percent) versus developed economies (1-4 percent).
- Most of these jobs are in lower-income job-types such as deliveries, ridesharing, microtasks, care and wellness.



- These studies further estimate that in 2020-21, 77 lakh workers were engaged in the gig economy.
- The gig workforce is expected to expand to 2.35 crore workers by 2029-30.

## Challenges Faced by Gig Workers:

### 1. Hurdle in Growth of Full Time Employee:

- While not all employers are inclined to hire contracted employees, the gig economy trend can make it harder for full-time employees to develop in their careers since temporary employees are often cheaper to hire and more flexible in their availability.

### 2. Work-life Balance:

- For some workers, the flexibility of working gigs can actually disrupt the work-life balance, sleep patterns, and activities of daily life

### 3. Can Replace Full-time Employees:

- The number of full-time employees required by the company can be reduced as freelance workers take over the work.

### 4. No Job Security:

- In effect, workers in a gig economy are more like entrepreneurs than traditional workers.
- While this may mean greater freedom of choice for the individual worker, it also means the security of a steady job with regular pay and benefits.

### 5. No Regular Job Benefits:

- Many employers save money by avoiding paying benefits such as health coverage and paid vacation time.
- Because there is no formal employment relationship with the platform company, there are usually no employee benefits in short-term contracts, which are less guaranteed than full-time and part-time jobs, and are difficult to write on resumes.

## Initiatives for Gig Workers in India:

### 1. Code on Wages, 2019:

- A universal minimum wage and floor wage should be provided to all organized and unorganized sectors, including gig workers.

### 2. Code on Social Security 2020:

- Under this, the gig workers are provided with recognition as a new occupational category.
- It has not been implemented as the government has yet to frame the rules.
- Dedicated Social Security Fund: It extends social Security benefits to gig workers.



### 3. Motor Vehicle Aggregator Guidelines, 2020:

- Under this, gig workers are entitled to get a term insurance of Rs 15 lakh, and health insurance of Rs 10 lakh, with 2020-21 as the base year and with an increase of 5% each year.
- To curb excessive working hours of gig workers, the guidelines recommended that each driver should not be logged in for more than 12 hours in a calendar day including all aggregators apps they are integrated with.
- A break of 10 hours was mandatory if workers are logged in for 12 hours.

### 4. e-Shram Portal:

- The Government has also launched e-Shram portal in 2021 for registration and creation of a Comprehensive National Database of Unorganized Workers including gig workers and platform workers.

### 5. Rajasthan Platform Based Gig Workers (Registration and Welfare) Act 2023:

- It proposes to set up a social security fund by imposing a welfare tax of 1%-2% on every transaction made by a customer on apps that fall within its ambit, like food delivery and ride sharing.
- State government grants and contributions by gig workers will also be pooled into the fund.

### 6. Karnataka Gig Workers (Conditions of Service and Welfare) Bill, 2024:

- The draft is modeled on Rajasthan's legislation, but it has more provisions for the safety and welfare of workers.
- It identified certain gaps in Rajasthan Platform Based Gig Workers (Registration and Welfare) Act 2023 such as ensuring income security, imposing penalties on aggregators, and making aggregators accountable for the occupational safety and health of workers, among others.
- It is planning to have a provision for charging aggregators gig workers' welfare fee, which will be a percentage of the pay of the gig worker per transaction.

## WAY FORWARD:

### 1. Accelerating Access to Finance for Workers:

- Access to institutional credit may be enhanced through financial products specifically designed for platform workers and those interested to set-up their own platforms.

### 2. Skill Development for Workers:

- Platform-led models of skilling and job creation need to be promoted for the gig and platform sector.

### 3. Platformization:

- A Platform India Initiative can be launched on the lines of Start-up India. The purpose would be to increase access to the platforms.



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#### 4. Enhancing Social Inclusion:

- Gender Sensitisation and Accessibility Awareness Programmes for workers and their families should be undertaken.

#### 5. Extending Social Security:

- Platforms can offer paid leaves, and access to insurance along with pension and retirement benefits. Gig and platform firms may consider providing income support to workers.

