STATUS AND RIGHTS OF PLATFORM AND GIG WORKERS

POLICY BRIEF

June 2024

Background

According to a BCG Report (2021), the gig economy in India has the potential to generate up to 90 million jobs in the non-farm economy alone. This is in addition to the country's already booming gig workforce representation globally. However, with a growing workforce, the need for appropriate policies and legal provisions rises exponentially. Despite several legislative and judicial developments in India, which recognise the need for social security coverage for platform and gig workers, substantive concerns remain unresolved. Lack of effective regulation touches on issues such as job insecurity, low wages, limited access to grievance redressal mechanisms, and inadequate representation in decision making which continue to pose challenges for the workers.

The review of judicial developments about the platform and gig workers in India has been evolving. India witnessed a pioneering regulatory moment in July 2023 with the new Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023. The legislation has brought with it promises to introduce a degree of security for gig workers through various provisions like creating a Welfare Board to oversee welfare policies and redress grievances for workers.

Given this backdrop, the Digital Platforms and Women's Economic Empowerment initiative came up with a White Paper titled 'Digital Platforms and Labour Laws in India' analyzing the status and rights of platform and gig workers in India in July 2023. Subsequently, a panel discussion was convened in October 2023 to discuss the challenges and issues of gig and platform workers in India. Multiple stakeholders delved into the need for a comprehensive yet balanced approach to providing legal provisions and effective policy pathways for improving the quality of life and work for gig workers in India.
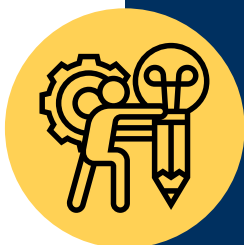
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Policy Suggestions

REGULATIONS FOR SOCIAL PROTECTION

While the platform sector provides opportunities to improve employment in India, it also presents a multitude of challenges related to minimum wages, social security benefits and workplace conditions. Furthermore, some workers often work with multiple platforms and across different locations, this requires portability and continuity within social protection systems to ensure consistent support regardless of the platform or region of work. To ensure effective worker protection and welfare, there must be harmonization between central and state laws. This balance is crucial to provide continuous worker protection while managing the costs of job creation and innovation. To address the issues sustainably, it is pertinent to establish a central coordinating authority for social protection that would efficiently design a system aligning with the needs of platform workers through synchronised efforts.

IMPROVING URBAN MOBILITY

Urban mobility plans should consider the movement patterns of platform workers, who often use personal and inexpensive vehicles. One of the most critical challenges for gig workers is the lack of disposable funds to invest in sustainable mobility. This requires ensuring better financial assistance for workers to adopt Electric Vehicles (EVs) tailored to their usage patterns. Additionally, for female gig workers engaged in mobility-related work, the lack of safety and basic sanitation often hinders their labour force participation. Civic authorities should enhance urban infrastructure to support platform workers' needs, including access to clean washrooms, water and resting points. Urban development could be bolstered through CSR funding under the Companies Act to address these infrastructural requirements. The pivot towards efficient mobility within India's gig economy could be a significant environmental and economic leap forward.

INNOVATIVE, MARKET-DRIVEN SOLUTIONS

Platform businesses maximize the use of idle assets, creating numerous livelihood opportunities for people. Platform work is appealing to workers due to its flexibility, entrepreneurial nature, and higher earning potential, with platform drivers (ride-sharing sector) earning 25% more per hour than their informal counterparts. To safeguard the welfare of workers financially, market-driven solutions are needed for platform workers, especially regarding insurance, savings and pensions. These solutions must be tailored to fit the unique savings, earnings and spending patterns of platform workers. All parties including the government, aggregators and platform workers, have a role and responsibility in establishing an effective, sustainable and meaningful social protection infrastructure for the benefit of platform workers.

Further Research and Scope

The panel highlighted the need to assess whether platforms are genuinely creating new jobs or only digitizing the existing ones. Affirming the stark skill gaps between genders, they discussed the need for leveraging diverse occupational patterns within the platforms to encourage women into the workforce. Additionally, there is immense scope for up-skilling and re-skilling for workers, especially women to keep pace with the dynamic digital landscape of the gig economy. There is also a need to adopt learnings and best practices from countries which have established suitable regulatory measures for gig and platform workers.

About the Panel

The panel featured Uma Rani (International Labour Organization), Sona Mitra (IWWAGE), Nikhil Dey (Mazdoor Kishan Shakti Sangathan), Bornali Bhandari (NCAER) and Apoorv Kulkarni (OMI Foundation). The discussion was moderated by Farzana Afridi (Head, DP-WEE) and Bhavya Gupta (PhD scholar, Jawaharlal Nehru University).