



## GIG WORKERS - GS III MAINS

**Q.** The gig economy presents both opportunities and challenges for workers and businesses alike. Examine (15 marks, 250 words)

**News:** *Longer working hours & low earnings: How India's gig workforce fares*

### What's in the news?

- A recent study conducted by the People's Association in Grassroots Action and Movements highlights the working conditions and challenges encountered by app-based cab and delivery drivers/persons in India.

### Key takeaways:

- The findings underscore the critical need for enhanced social security measures and regulatory oversight to safeguard the welfare of gig workers in the country.

### Key Findings on Gig Workers:

#### 1. Extended Working Hours:

- Approximately a third of app-based cab drivers work for over 14 hours daily, with over 83% working more than 10 hours and 60% exceeding 12 hours, reflecting the demanding nature of their work.

#### 2. Caste-wise Impact:

- The study reveals a disproportionate impact on drivers from Scheduled Castes and Tribes, with over 60% working beyond 14 hours compared to only 16% from the unreserved category.

#### 3. Financial Strain:

- More than 43% of participants earn less than ₹500 per day or ₹15,000 monthly after expenses, highlighting the precarious financial situation faced by many workers.

#### 4. Financial Hardship:

- A significant majority (76%) of delivery persons struggle to meet their financial needs, indicative of the economic challenges inherent in the gig economy.

#### 5. Other Challenges:

- Issues such as ID deactivation and customer misbehaviour further compound the difficulties faced by workers in the app-based transport and delivery sector.



## Implications of the Report:

### 1. Social Disparities:

- Income disparities exacerbate existing social inequalities, particularly among workers from different caste backgrounds, perpetuating cycles of poverty and distress within these communities.

### 2. Health and Safety Risks:

- Prolonged working hours contribute to physical exhaustion and increased risk of road traffic accidents, compounded by pressure from e-commerce platforms to achieve rapid delivery times.
- Lack of social and job security adds to stress levels and poses potential health risks for workers.

## Gig Economy:

- In a gig economy, temporary, flexible jobs are prevalent, with companies often hiring independent contractors and freelancers instead of full-time employees.
- Tech-enabled platforms connect consumers with gig workers for short-term services across various sectors.
- Sectors such as media, real estate, legal, hospitality, and technology are already operating within the gig economy framework, offering opportunities for self-employed individuals, freelancers, and part-time workers.

## Key Drivers for Gig Economy Growth:

### 1. Changing Work Preferences:

- Millennials prefer flexible work arrangements over traditional full-time employment, driven by hectic lifestyles and a desire for autonomy.

### 2. Startup Culture:

- Startups hire contractual freelancers to reduce fixed costs associated with full-time employees, fostering the growth of the gig economy.

### 3. Freelancing Platforms:

- The proliferation of freelancing platforms facilitates connections between gig workers and businesses, enabling seamless transactions.

### 4. Post-Pandemic Transition:

- The pandemic has prompted laid-off employees to explore freelance opportunities, contributing to the expansion of the gig economy.

## Advantages for Gig Workers:

### 1. Profit through Diversification:

- Gig workers can supplement their income by engaging in multiple gigs simultaneously.



## 2. Empowerment and Flexibility:

- Women and retired individuals benefit from the flexibility offered by gig work, empowering them to balance work and personal responsibilities.

## 3. Cost Savings and Convenience:

- Work-from-home arrangements reduce travel costs and offer convenience to workers, enhancing their overall quality of life.

## Advantages for Employers:

### 1. Efficiency and Productivity:

- Gig workers often exhibit higher efficiency and productivity compared to traditional employees, driving business growth.

### 2. Cost Savings:

- Employers save on benefits, office space, and training costs associated with full-time employment, optimizing resource allocation.

## Challenges in the Gig Economy:

### 1. Lack of Employment Perks:

- Gig workers miss out on traditional employee benefits such as pension and gratuity, leading to financial insecurity.

### 2. Job Insecurity:

- Unfair termination and inadequate wages pose significant challenges for gig workers, contributing to job insecurity.

### 3. Legal Protections:

- Gig workers lack bargaining power and legal protections, making it difficult to negotiate fair terms with employers.

### 4. Access and Connectivity:

- The gig economy remains inaccessible to rural populations with limited internet connectivity and infrastructure.

## WAY FORWARD:

### 1. Policy Reforms:

- The government must fine-tune existing social security policies to address the unique needs of gig workers, ensuring comprehensive protection and support.

### 2. New Legislation:

- The centre must thrive in from the Platform-Based Gig Workers (Registration and Welfare) Bill, 2023 recently introduced in Rajasthan Assembly.



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### 3. Collaborative Efforts:

- Stakeholders across sectors should collaborate to establish industry-wide standards and best practices for gig work, promoting fair treatment and equitable opportunities.

### 4. Technology Integration:

- Leveraging technology can enhance access to gig opportunities and streamline processes for both workers and employers, fostering a more inclusive and efficient gig economy ecosystem.

The gig economy presents both opportunities and challenges for workers and businesses alike. By addressing key issues and fostering a conducive regulatory environment, India can harness the full potential of the gig economy while ensuring the well-being and rights of all stakeholders involved.

