



CURRENT AFFAIRS



Argasia Education PVT. Ltd. (GST NO.-09AAPCAI478E1ZH)
Address: Basement C59 Noida, opposite to Priyagold Building gate, Sector 02,
Pocket I, Noida, Uttar Pradesh, 201301, CONTACT NO:-8448440231

Date -12 March 2024

STUDY ON THE WORKING CONDITION OF GIG WORKERS

THIS ARTICLE COVERS 'DAILY CURRENT AFFAIRS' AND THE TOPIC DETAILS OF "STUDY ON THE WORKING CONDITION OF GIG WORKERS". THIS TOPIC IS RELEVANT IN THE "ECONOMY" SECTION OF THE UPSC CSE EXAM.

WHY IN THE NEWS?

A recent study carried out by the People's Association in Grassroots Action and Movements sheds light on the working conditions and obstacles faced by individuals working as app-based cab and delivery drivers in India. The results emphasise the crucial requirement for improved social security measures and regulatory supervision to ensure the well-being of gig workers in the nation.

WORKING CONDITIONS AND CHALLENGES OF INDIA'S APP-BASED GIG WORKFORCE

This analysis unveils the realities of working in India's app-based transportation and delivery sector, highlighting the demanding nature of these jobs and the challenges faced by gig workers.

- **Long Hours and Strenuous Work:** The report paints a concerning picture of extended working hours. A substantial majority (over 83%) of these workers clock in more than 10 hours daily, with a significant number, particularly cab drivers (around one-third), exceeding 14 hours. This gruelling schedule underscores the physically and mentally demanding nature of their work.
- **Financial Precariousness:** A worrisome finding is the financial vulnerability of these workers. Over 43% of participants barely make ends meet, earning less than ₹15,000 per month after factoring in expenses. This meagre income highlights the precarious financial situation of many gig workers and raises concerns about their ability to afford basic necessities.
- **Economic Strain in the Gig Economy:** The economic hardship faced by delivery personnel is stark. A significant majority (76%) struggle to meet their financial needs. This finding suggests that the gig economy while offering flexibility, might not always translate to sustainable income.
- **Unequal Impact by Caste:** The study reveals a troubling disparity in working hours based on caste. Drivers belonging to Scheduled Castes and Tribes face a significantly harsher reality, with over 60% working beyond 14 hours compared to a mere 16% from the unreserved category. This suggests potential exploitation and unequal opportunities within the gig economy.
- **Compounding Challenges:** Beyond long hours and financial strain, gig workers face additional hurdles. The report identifies issues such as account deactivation by platforms, which can lead to sudden loss of income. They may also encounter rude customer behaviour, adding further stress to their work experience.

UNDERSTANDING THE GIG ECONOMY

- The traditional work landscape is undergoing a significant shift with the emergence of the gig economy. This new model disrupts the idea of a fixed, long-term job and instead offers a work environment **characterised by short-term contracts, freelance projects, and independent contractorship**. Often referred to by terms like the “**freelancer economy**,” “**agile workforce**,” or “**sharing economy**,” the gig economy provides flexibility and autonomy for workers, appealing to those seeking an alternative to the nine-to-five routine.
- **The Power of Platforms:** The gig economy thrives on the concept of the “**platform economy**.” Businesses are increasingly **leveraging digital platforms to connect with and manage a flexible workforce**. These **platforms act as intermediaries**, facilitating connections between clients with specific tasks and independent workers with the necessary skills to complete them. Familiar examples include **food delivery services like Zomato and Swiggy** or e-commerce giants like Amazon and Flipkart, all of which rely heavily on gig workers to provide core services like delivery or customer support.

WHO ARE GIG WORKERS?

India’s recently implemented **Labour Codes (2019)** provide a legal definition for gig workers. They are classified as **individuals who perform work and earn income “outside of a traditional employer-employee relationship.”** This encompasses a broad range of workers, including freelancers offering their expertise on a project basis, contract-based workers employed for specific tasks, and those engaged in short-term assignments to meet temporary needs.

A FLOURISHING TREND IN INDIA:

- The gig economy is experiencing rapid growth in India. Estimates suggest that **in 2020-21, around 7.7 million workers** participated in this new work model, representing a significant portion of the workforce – **2.6% of the non-agricultural workforce and 1.5% of the total workforce in India**.
- This trend is expected to continue, with projections indicating the gig workforce could reach a staggering **23.5 million workers by 2029-30**. The rise of the gig economy presents both opportunities and challenges for India’s evolving labour market. Understanding its dynamics will be crucial for shaping effective policies and ensuring fair treatment and social security for this growing segment of the workforce.

ADVANTAGES FOR WORKERS:

- **Flexibility and Control:** The gig economy empowers individuals, particularly women and retirees, by offering flexible work arrangements. This allows them to tailor their work schedules to fit personal needs and responsibilities, achieving a better work-life balance.
- **Earning Power through Variety:** Gig workers can take on multiple projects concurrently, increasing their earning potential and diversifying their income streams.
- **Reduced Costs and Convenience:** Working remotely eliminates commuting costs and provides the convenience of working from a preferred location, enhancing overall well-being.

ADVANTAGES FOR BUSINESSES:

- **Enhanced Efficiency and Output:** Gig workers often demonstrate higher levels of efficiency and productivity compared to traditional employees. This can lead to faster project completion times and improved business growth.
- **Reduced Expenses:** Businesses save on costs associated with full-time employees, such as benefits packages, office space maintenance, and training programs. This allows for more efficient resource allocation.



CHALLENGES OF THE GIG ECONOMY:

- **Limited Benefits and Security:** Gig workers typically lack access to traditional employee benefits like pensions and gratuities, leading to financial insecurity in the long term.
- **Unequal Protection under the Law:** Gig workers often lack the bargaining power and legal protections afforded to traditional employees. This makes it difficult to negotiate fair work terms and advocate for their rights.
- **Job Instability and Unfair Practices:** The gig economy can be precarious, with workers facing sudden termination and potentially unfair wages. This contributes to a sense of job insecurity.
- **Digital Divide:** Limited access to the internet and infrastructure in rural areas can hinder participation in the gig economy, potentially widening the digital divide.

PRELIMS PRACTISE QUESTION

Q1. In India, which one of the following compiles information on industrial disputes, closures, retrenchments and lay-offs in factories employing workers? (UPSC Prelims-2022)

- (a) Central Statistics Office
- (b) Department for Promotion of Industry and Internal Trade
- (c) Labour Bureau
- (d) National Technical Manpower Information System

Answer: C

MAINS PRACTISE QUESTIONS

Q1. How can the gig economy empower individuals seeking more flexible work arrangements while also addressing concerns about job security and financial stability?

Himanshu Mishra

