

INSIGHTS INTO SANSAD TV



SANSAD TV: PERSPECTIVE GIG ECONOMY

https://www.youtube.com/watch?v=lnmRaGKel_4

Introduction:

A major shift in the employment trends has been the rise of gig economy globally. Gig economy is a free market system in which organisations hire or contract workers for a short span of time. According to a report by Boston Consulting Group, India's gig workforce comprises 15 million workers employed across industries such as software, shared services and professional services. An estimated 56% of new employment in India is being generated by the gig economy companies across both the blue-collar and white-collar workforce.

Another study indicates that Gig economy is gaining a foothold in Tier 2 and Tier 3 markets. According to the Code on Social Security, 2020, "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."

Issues faced by gig economy workers

- A gig economy is a free market system in which temporary positions are common and organizations contract with independent workers for short-term engagements.

- Lack of income security: There is no room for wage negotiations, and unions are absent. In the gig economy, job creation should be seen as the provision of livelihoods for entrepreneurs.
- Grievance redressal mechanism: For instance, when Ola and Uber started cutting back incentives, the drivers in Mumbai decided to go on 'strike'.
- But there was no clarity against whom they were striking. When the strikers agitated at a local transport commissioner's office, he had to tell them that he did not regulate the hail-a-taxi business.
- The Central government recently passed the social security code which could cover gig worker as well.
- One of the key proposals includes the creation of a social security fund which is around 1 per cent of the aggregators' annual turnover.
- This fund would be used primarily for the welfare of the unorganized and the gig workforce
- This workforce has limited employment rights like minimum wages, health benefits, sick leaves or even retirement benefits to fall back on.
- The lack of any kind of protection was also deterring several talented workers against participating in the economy
- No stable and secure employment: These so-called jobs do not provide health insurance, nor pay for overtime with no sick leave.

Regulation:

- This sector observes lot of skill gaps.
- Constant upskilling and reskilling is required for such talents to stay industry relevant and market ready.
- A categorical clarification could ensure that social security measures are provided to workers without compromising the touted qualities of platform work.
- Countries must come together to set up a platform to extend their labour protection to the workforce who are working part-time in their country.
- Companies employing the workforce on a temporary basis should also be made responsible to contribute to their insurance and social obligation other than just their tax commitment.
- There is a need for a socio-legal acknowledgement of the heterogeneity of work in the gig economy, and the ascription of joint accountability to the State and

Also, the payment is assured only on the completion of the project giving a sense of financial insecurity.

- platform companies for the delivery of social services.
- In the Code on Social Security, 2020, platform workers are now eligible for benefits. Actualising these benefits will depend on the political will at the Central and State government-levels and how unions elicit political support.

Way forward

- **Constant upskilling and reskilling is required** for such talents to stay industry relevant and market ready.
- The government needs to come out with some more regulations to protect the workforce of the gig economy.
- Also, at present, there is no mechanism to address the issue of redress of disputes.
- It could also mean countries coming together to set up a platform to extend their labour protection to the workforce who are working part-time in their country.
- Companies employing the workforce on a temporary basis should also be made responsible to contribute to their insurance and social obligation other than just their tax commitment.

Conclusion

- The scope of the gig economy in a country like India is enormous. The government needs to come out with a comprehensive legislation to empower and motivate many to take this path.
- The gig economy and its workforce cannot be overlooked when we talk about the future of employment.
- With a population of over 1.3 billion, and a majority of them below the age of 35, relying on the “gig economy” is perhaps the only way to create employment for a large semi-skilled and unskilled workforce.
- Therefore, it is **important to hand-hold this sector and help it grow**. We need policies and processes that give clarity to the way the sector should function.