

YOUR ECONOMY, OUR LIVELIHOODS

**All India Gig Workers' Union
critique on NITI Aayog's report
on the platform economy**



All India Gig Workers' Union (AIGWU)

2023





The **All India Gig Workers' Union (AIGWU)** (Affiliated to CITU) is a registered trade union for all food delivery, logistics, and service workers that work on any app-based platforms in India.

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INTRODUCTION

In June 2022, NITI Aayog [launched](#) a report scoping the growing role of gig work in India's economy. Speaking at the launch, NITI Aayog's Vice Chairman—Suman Bery—heralded the report as a *“valuable knowledge resource in understanding the potential of the sector.”*

Since the launch of the report, the government and other ministerial departments such as labour and skill development have ensured the report's growing relevance in public discourse around policies for the platform economy. The report has featured prominently in public statements, parliamentary answers, and policy discussions by the government.

The government has therefore adopted the claims and recommendations of the report as the de facto guiding document and evidence base for framing policies for the platform economy in India.

Titled “INDIA'S BOOMING GIG AND PLATFORM ECONOMY”, the report claims that:

- In 2020-21, India's gig workforce was estimated at 77 lakh (7.7 million)
- The gig workforce is expected to expand to 2.35 crore (23.5 million) by 2029-30
- At present, around 47% of gig workers are in medium-skilled jobs, around 22% in high-skilled, and around 31% in low-skilled jobs
- The concentration of gig workers in medium-skilled jobs is gradually declining, and that of workers in low-skilled and high-skilled jobs is increasing

Although the report acknowledges the issues faced by workers at length—particularly focussing on i) the downward trajectory of working conditions and wages because of algorithmic management, and ii) the assault that platforms have brought upon workers' agency and the scope for collective bargaining and action—the recommendations it offers bear no relevance to the problems at hand.

IN THIS POLICY BRIEF, WE PRESENT THE ALL INDIA GIG WORKERS' UNION'S (AIGWU) CRITIQUE ON NITI AAYOG'S REPORT ON INDIA'S PLATFORM ECONOMY. THROUGH EXPERIENCES FROM OVER 3 YEARS OF ORGANISING GIG WORKERS ACROSS INDIA, WE HIGHLIGHT FALLACIES IN THE REPORT THAT DISREGARD WORKERS' EXPERIENCES AND REALITIES. WE PRESENT ALTERNATIVE RECOMMENDATIONS THAT ARE RESPONSIVE TO THESE REALITIES, AND OFFER PATHWAYS TOWARDS LABOUR RIGHTS-AFFIRMING FUTURES IN THE PLATFORM ECONOMY.

The report does not recognise the fundamental difference between that of actual gig work, and the case where gig work has been used by platforms to disguise an employment relationship and avoid providing employee protections. It continues to treat gig work as a valid new form of work without due analysis on how gig work has been leveraged to circumvent labour protections and make livelihoods more precarious.

The report asserts that low barriers to entry, flexibility, and choice are products of technological changes brought by the rise of the platform model, and have a democratising effect on the spread and availability of jobs. They claim these as core reasons for the potential of the platform model, while disregarding the fact that the lack of decent jobs in the vast Indian informal economy has been the main reason gig workers continue to sign up on platforms.

To this end, the report mentions— *“since the entry barriers to such work are low, platforms hold enormous potential to unlock millions of jobs in India.” and “marking a distinction between platform workers and unorganised, informal workers, the [law] further recognises platform workers as a step up from the latter. Platform workers enjoy flexibility and choice of labour, ability to hold multiple jobs, guaranteed payments, augmentation of assets, heightened earnings etc.”*

The report suggests the establishment of a Platform India initiative, claiming that it will spearhead the expansion of the platform model in various sectors, and create a large number of jobs. Speaking on the proposed initiative, the report mentions— *“policy should therefore encourage labour market arrangements that facilitate innovation and provide protection for workers, are efficient, and promote sustainable, decent lives for citizens. [...] A Platform India initiative built on the pillars of accelerating platformization by simplification and handholding, funding support and incentives, skill development, and social financial inclusion may be started, like the immensely successful Startup India initiative.”*

The report, while focusing on light touch regulation, mischaracterises many features of platforms as they operate today, and are blind to on-ground realities and experiences of workers:

- ★ The presumed asset-light platform model is not asset-light for workers. Many workers incur high-interest debt to pay for assets such as cars, bikes, or smartphones. This also means that entry barriers are high—digital skills and physical assets are critical for doing gig work. The report demonstrates a misplaced trust in the sharing economy by asserting that asset ownership would be trivial considering the scope for sharing of infrastructure. This is not the case—financial burdens placed on workers relating to buying cars, bikes, smartphones, and associated financial costs (including predatory debt traps) have been central to manner in which the platform economy has entrenched itself in India.
- ★ The assertion that stable or higher wages are guaranteed in the platform economy as compared to the informal economy has been heavily contested by workers themselves, and through their representative unions. Algorithmic and traditional Taylorist management techniques have, in fact, been deployed at scale by platforms precisely to squeeze workers' wages.
- ★ The assumption that platformisation of all economic sectors is necessary and beneficial for workers is severely misguided. It is not something that AIGWU's experience in the transportation logistics sector in India has shown us. Conditions of work and earnings have drastically worsened over time as platforms continue to gain market dominance.

THE PLATFORM ECONOMY, SPURRED ON BY MASSIVE VENTURE CAPITAL INVESTMENTS, HAS INDEED BOOMED IN INDIA IN RECENT YEARS. HOWEVER, THIS BOOM HAS BROUGHT WITH IT WORSENERD WORKING CONDITIONS FOR INDIAN GIG WORKERS. THIS STEMS FROM TWO TRENDS—THE ‘FLEXIBILITY’ OF JOBS UNDER PLATFORM AGGREGATION, AND THE LACK OF AN EFFECTIVE BUSINESS MODEL.

THE FORMER IS DISGUISED UNDER THE FORM OF ‘INNOVATION’, WHERE TREATING INDIVIDUAL WORKERS NOT AS EMPLOYEES BUT AS ‘INDEPENDENT CONTRACTORS’ IS APPLAUDED RATHER THAN CASTIGATED FOR THE UNSCRUPULOUS MOVE THAT IT IS.



COUNTERING FALLACIES OF THE NITI AAYOG REPORT RECOMMENDATIONS

1. CATALYSE PLATFORMISATION

★ NITI AAYOG'S RECOMMENDATION

The report uncritically accepts the mushrooming of private platform companies in India as a positive development, and to provide a fillip towards this, recommends further deregulation and de-licensing for platforms in the name of 'increased cost of compliance'. Taking up the case of transport and mobility platforms, the report recommends aggressive de-licensing and removal of operational regulations. This is part of a broader push for a taxpayer-funded 'Platform India' initiative, which the report claims would accelerate the platformisation of the Indian economy.

The report also attempts to legitimise the precarious and harsh paradigm of gig work by praising it via the language of the supposed 'inclusion' and 'democratisation of jobs'.

Additionally, after acknowledging several concerns (though it frames these as challenges, rather than structural issues) with gig and platform work such as job and income insecurity, health and safety risks, and weak terms of work and collectivisation, the report entirely sidesteps these concerns and unabashedly endorses gig work as the preferred paradigm of work across several sectors. This recommendation comes without any regard to the actual economic impact of such platformisation on the livelihoods of workers.

★ REALITY

The platform economy, spurred on by massive venture capital investments, has indeed boomed in India in recent years. However, this boom has brought with it worsened working conditions for Indian gig workers. This stems from the pincer-like movement of two trends—the 'flexibility' of jobs under platform aggregation, and the lack of an effective business model. The former is disguised under the form of 'innovation', where treating individual workers not as employees but as 'independent contractors' (thus depriving

them of existing statutory benefits and a stable work environment) is applauded rather than castigated for the unscrupulous move that it is.

Most aggregator platforms remain unprofitable. Even those platforms which have been able to corner dominant market shares remain unprofitable. For example, Uber, in its IPO filings in 2019, [disclosed](#) that it did not foresee being profitable any time soon. Despite their oligopolistic hold over the market, these platforms are unable to break even, thus requiring a drip feed of venture capital money and inflated IPOs to remain operational. This exerts a downward pressure on wages and working conditions, resulting in ever more exploitative working conditions for gig workers.

A number of ‘success stories’, so to speak, of major platforms have been provided in the report. These paint a lopsided picture. Not only is the perspective of workers absent, but so are those of small businesses and retailers being put out of business by the deep pockets of platform companies running retail channels (hyperlocal delivery stores, home services, restaurants, etc).

This issue is further exacerbated by the ubiquitous belief that platforms will automatically turn a profit once they begin to hold a significant amount of market share due to network effects. Not only has this been proven to be erroneous across various sectors and countries, it also presents a contradiction for those who sing praises of the aggregator/ platform/ gig work paradigm—on one hand, they believe in the need for capturing the market. On the other hand, they proclaim that multiple platforms are required in each sector to ensure competitiveness and create employment opportunities. Such a contradiction is indicative of a craftiness that understands that such a contradiction exists (and the exploitation it results in), and yet continues to advocate for it, all in the service of capital.

In its vision of catalysing platformisation, the report has no recommendations for creating mechanisms to ensure gig workers are fairly paid and have dignified working conditions (through legal prescriptions and enforcement mechanisms). The report also does not discuss or recommend the creation of accessible, reliable and fair mechanisms in place to address workers’ grievances.

★ **ALTERNATIVE RECOMMENDATION**

Platformisation will not only affect workers in blue collar or grey collar jobs but also engulf other service sectors that currently provide permanent and dignified employment (such as education, health, customer service, etc). It is therefore essential that worker protections are extended to the gig economy and other forms of perennial employment that are being threatened by the new labour codes.

THE PLATFORM AND GIG WORK PARADIGM CANNOT BE USED AS A WAY TO FURTHER DEREGULATE THE INDIAN ECONOMY BY SUBTERFUGE. ROBUST REGULATORY MECHANISMS MUST BE PUT IN PLACE FOR PLATFORM AND GIG WORK TO IMPROVE MATERIAL CONDITIONS FOR GIG WORKERS. GIG WORKERS HAVE TO BE RECOGNISED AS EMPLOYEES WITH A CLEAR TEST OF EMPLOYMENT ENSHRINED IN LAW.

All workers for digital platforms should be presumed to be employees (this must include a right to fair hiring and firing policies) **unless** both of the following conditions are satisfied:

Condition 1.

The worker is free from the control and direction of the platform while performing the work, both under the contract and in fact¹;

- i. A worker who is subject, either as a matter of contractual right or in actual practice, to the type and degree of control a business typically exercises over employees would be considered an employee.
- ii. Depending on the nature of the work and overall arrangement between the parties, a business need not control the precise manner or details of the work in order to be found to have maintained the necessary control that an employer ordinarily possesses over its employees.

Condition 2.

The worker bears the economic risk of the transaction. The profit or loss of each transaction on the platform is directly linked to the compensation of the worker.

For workers deemed to be non-employees through this legal test—full social security benefits through schemes made by the government, including health benefits, maternity benefits, provident fund schemes, and basic legal protections such as minimum wages or piece/hourly rates as applicable, non-exclusivity clauses, and compensation for late cancellation of work should apply.

A stronger push towards better paradigms of work can only come from alternative models of platform work, and here it is essential that the

¹ This condition is drawn from Prong A of the ABC Test established under the Dynamex ruling by the California Supreme Court. See: <https://www.labor.ca.gov/employmentstatus/abctest/>

government foster the creation of platform cooperatives in certain service sectors. These platform cooperatives would be led by entities directly participating in these spaces (such as workers, sellers, restaurants, etc.), and would operate platforms only on a cost recovery basis. An example of a platform cooperative is in Kerala, where the Government of Kerala encouraged the development of a restaurant-owned food delivery app called [Rezoy](#) operated by the Kerala Hotels and Restaurant Association. Such platforms would mitigate market concentration that results from the network effects of large private platforms, be more stable than platforms motivated by profit-making, and offer genuine pro-people alternatives.

2. ACCELERATING ACCESS TO FINANCE FOR PLATFORM WORKERS

★ NITI AAYOG'S RECOMMENDATION

The report recommends easier access to institutional credit for gig workers entering the workforce. Once again, the report relies on deregulation—in this case, of fiscal norms—to increase access to finance for gig workers. From the outset, it recommends that besides institutional loans from banks (which are usually not forthcoming to small borrowers, especially post liberalisation), alternative avenues of finance such as venture capital must be leveraged. Existing schemes such as MUDRA and SVANidhi are to be promoted, while unsecured loans to first-time borrowers in the platform economy are recommended to be categorised as Priority Sector Lending.

Additionally, the report welcomes 'fintech' as a major avenue of lending and recommends further encouragement and partnerships between government, platforms, and fintech entities to improve financial inclusion, disregarding the massive issues that have emerged in fintech and digital microlending. To this extent, the government even recommends the usage of data collected by platforms on their employees towards "alternative methods of creditworthiness".

★ REALITY

The SVANidhi and MUDRA schemes have several issues already. [Media reports](#) have indicated several defaults on loans taken under the scheme. In the case of the latter scheme, such trends were visible even before the onset of the COVID-19 pandemic, with the share of loans under the scheme being categorised as non-performing assets rising year on year. As a result, banks

have been hesitant to avail such schemes, denying loan applications under these schemes at a large scale. The average disbursed loan amount has also been small.

Furthermore, media reports have also mentioned that several banks did not actually provide collateral free loans as is mandated under these schemes, and several who did often charged higher interest rates. These schemes have also failed at meeting their primary objective of generating employment—government data suggests that only 20% of entities given credit have been able to meet their employment targets.

Meanwhile, the fintech sector in India has boomed, hitting USD 31 billion in market size 2021. At the same time, digital lending firms have gained notoriety for their practices of threatening calls, extortion, blackmails, and even sexual coercion. The Chief Minister of Assam, Himanta Biswa Sarma, told the Assam Vidhan Sabha that there were cases in which ‘women’s honour has been compromised’ under pressures of loan repayment, leading to the Assam legislature passing the Assam Micro Finance Institutions (Regulation of Money Lending) Act, 2020 to regulate such lending.

Besides such physical means of coercion, digitally mediated coercion is a key part of the ‘alternative credit scoring methods’ touted by fintech firms. Mobile applications operated by fintech firms often mandate access to a host of personal data stored on the users’ mobile device prior to using the fintech service. Subsequently, once the borrowers defaulted, the app representatives harass these borrowers by sending abusive messages, publicly shaming them by sending messages to their friends and relatives, and even [threatening](#) to circulate nude images. Many Indian citizens, including many young people, have [committed suicide](#) as a result of this.

Moreover, such coercion (of either type) is not an incidental phenomenon, and stems from the fundamental infeasibility of the business model. Fintech lending, especially when undertaken by NBFCs (Non Banking Financial Companies) entails predatory and usurious rates, which they justify as the cost of lending to those not deemed credit-worthy. Contrary to what proponents of the fintech model advocate, many loan beneficiaries (including the gig workers envisioned by the report) do not earn incomes sufficient enough to cover their basic consumption needs, which is why credit-based consumption is pushed onto them. The high interest rates often lead them into debt trap, and as a result more loans are taken on simply for the purpose of servicing their debt.

★ ALTERNATIVE RECOMMENDATION

FROM THE PERSPECTIVE OF GIG WORKERS, THE PUSH FOR A FINTECH-DRIVEN AND CREDIT-BASED CONSUMPTION ONLY EMERGES DUE TO DEPRESSED INCOMES AND LACK OF SOCIAL SECURITY AND WELFARE NETS, AS WELL AS DESKILLING THAT MAY OCCUR DURING THEIR EMPLOYMENT AS A GIG WORKER. WHILE INCLUDING GIG WORKERS INTO THE FORMAL BANKING SYSTEM IS ESSENTIAL, THIS MUST NOT BE USED AS A PRETEXT TO ENSNARE THEM INTO DEBT TRAPS.

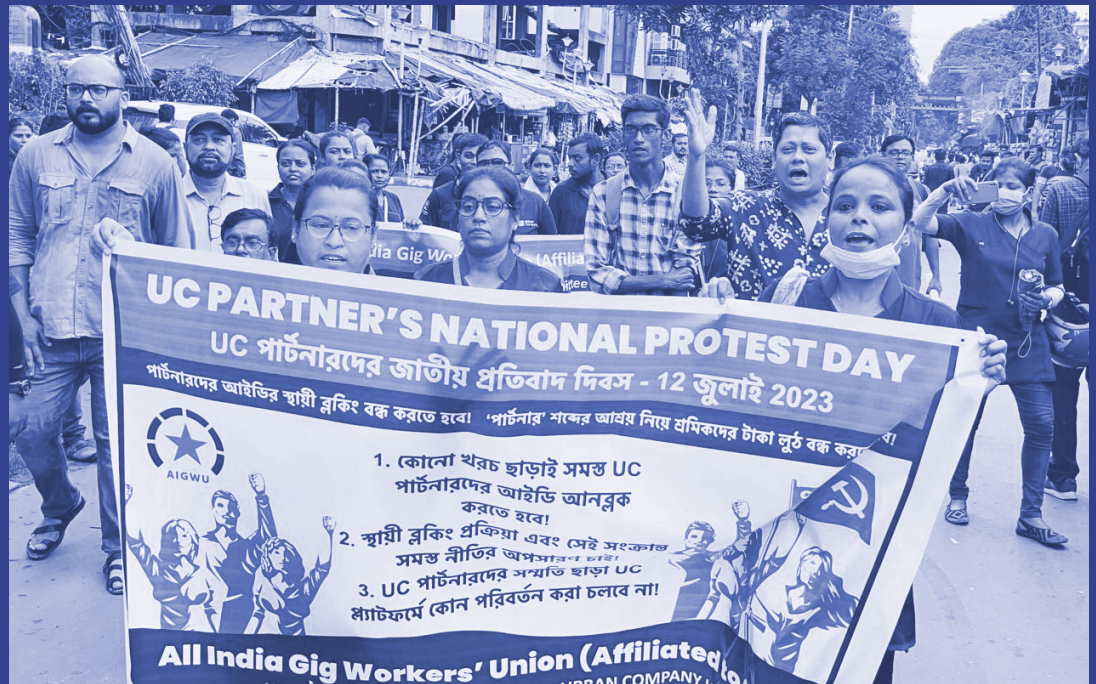
Time and again, credit fuelled bubbles, even if they increase consumption in the short term (and the evidence of that occurring in India is scant) have been shown to burst spectacularly with disastrous consequences for incomes and employment.

Thus, should the government wish to use platforms as a lever for financial inclusion, it may mandate platform companies to deposit a certain amount of money above and beyond workers' existing incomes towards their consumption (perhaps by using E-Rupi vouchers to direct such spending towards daily consumption or their travel expenses).

For platforms, existing schemes may have to be rejigged. Firstly, the burden of credit schemes must not only be borne out by public sector banks, and the private sector must be directed to take on some of the lending as well. Secondly, interest rates may be lowered for such loans, but this reduced rate must be made conditional on ensuring a certain threshold of working conditions to gig workers.



THE REPORT DOES NOT SUGGEST ANY GUARANTEE REGARDING LABOUR RIGHTS, INCLUDING WAGE PROTECTIONS, EQUAL TREATMENT, OR DIVERSE HIRING PRACTICES FOR WOMEN OR PERSONS WITH DISABILITIES WORKING IN THE PLATFORM ECONOMY. IT MERELY SUGGESTS VOLUNTARY ACTIONS BY PLATFORMS WITH THE GOVERNMENT ACTING AS A FACILITATOR, PROVIDING INCENTIVES WHERE DEEMED NECESSARY.



3. SKILL DEVELOPMENT FOR PLATFORM JOBS

★ NITI AAYOG'S RECOMMENDATION

The report recommends that platform-led models of skilling and job creation need to be promoted for the gig and platform sector. The report suggests that platforms can collaborate with the Ministry of Skill Development and Entrepreneurship, and the National Skill Development Corporation (NSDC) to nurture skilled workers and micro-entrepreneurship.

The report also envisages that skilling may happen on the platform, and workers will be awarded 'skill certificates and passports' on the platforms.

★ REALITY

Platform-led models of skilling and job creation is a disguise to funnel public funding for skills and employment programmes into the pockets of private platform companies by providing them government subsidies through sanctioned costs per candidate.

For example, the app-based home services platform, Urban Company, a key strategic partner of the Skill India mission, signed an MoU to boost efforts to mobilise, train and certify service professionals across India. In 2019, Urban Company (then known as Urban Clap) pledged to train 30,000 new partners over one year through short-term skilling and upskilling programmes.

At public meetings with various Urban Company beauticians, AIGWU has observed that most of the workers are usually experienced beauticians or erstwhile salon business owners. Their onboarding training by the platform only covers an overview of Urban Company's mobile application, and the company's service conditions. Moreover during the trainings the loss of pay, and costs of the training kits (which is essentially a way to sell products with higher markups) are borne entirely by the worker without any documentation. Such instances call to question the accountability and risks of entrusting private organisations with public funds in the name of skill development.

Moreover, many reports have spoken about how 'deskilling' is an inherent part of the present gig economy. This is demonstrated by school/ college educated youth or skilled unemployed workers (such as ex-data operators, services professionals, etc) working as food or grocery delivery workers or the case of small business owners and employees driving ride-share cabs after losing work.

★ ALTERNATIVE RECOMMENDATION

The reliance on 'skill passports' does not address existing issues of workers being rated unfairly or how it might increase the degree of power platforms hold over their workers. Instead of providing 'skill passports', gig workers should be able to access a verified record of their training (if any) and work contributions.

WORKERS' DATA SHOULD BELONG TO THE WORKERS. THE GOVERNMENT SHOULD PRESCRIBE STANDARDS THAT ENSURE THAT THESE RECORDS ARE MACHINE-READABLE AND UNIVERSALLY INTER-OPERABLE, AND ENABLE VERIFIED/ DIGITALLY SIGNED RECEIPTS FOR EACH SUCCESSFUL TASK PERFORMED.

These receipts should be easily accessible by default on workers' applications as a downloadable link, or on email, and as physical copies upon request. Workers' should have individual and collective rights to their data collected, and stored by platforms.

4. ENHANCING SOCIAL INCLUSION IN THE NEW-AGE DIGITAL ECONOMY

★ NITI AAYOG'S RECOMMENDATION

The report espouses that platform businesses can undertake partnerships with civil society organisations (CSOs) to enable different sections of workers such as women workers and persons with disabilities (PwDs) to take up employment opportunities in the platform sector through skill development, and access to finance and assets. These CSOs may also promote sensitisation on legal/ economic/ social rights of women and PwDs for workers and platforms. The report claims that platform businesses have the potential to create more enabling work environments for women and PwDs through inclusive workplace facilities, communication, and work design systems. The report mentions—*“Platform businesses can implement communication plans which are gender-and accessibility-inclusive. For instance, they can ensure there is a higher share of women and PwD managers and supervisors in the organisation. They can ensure communication to workers does not perpetuate gender and disability stereotypes. They can have 24x7 helplines, etc.[...] Women led-platforms or platforms that encourage recruitment of women employees and those with disabilities should be incentivized.”*

★ REALITY

The report uncritically accepts that platform work is to the advantage of women without taking a deeper look at labour practices employed by them or how women workers or PwDs may be particularly vulnerable to being exploited. Earlier systems of piece work and the manner in which they exploited women workers have not been analysed at all.

In the platform economy, women gig workers are barely represented in sectors such as ride-hailing and delivery platforms owing to barriers they face such as lack of access to assets. Platforms' policies remain gender-blind and renege on claims of 'flexibility', particularly affecting women workers with family and household care responsibilities. Moreover, platforms completely

disregard women workers' demands for workplace safety and grievance redressal mechanisms.

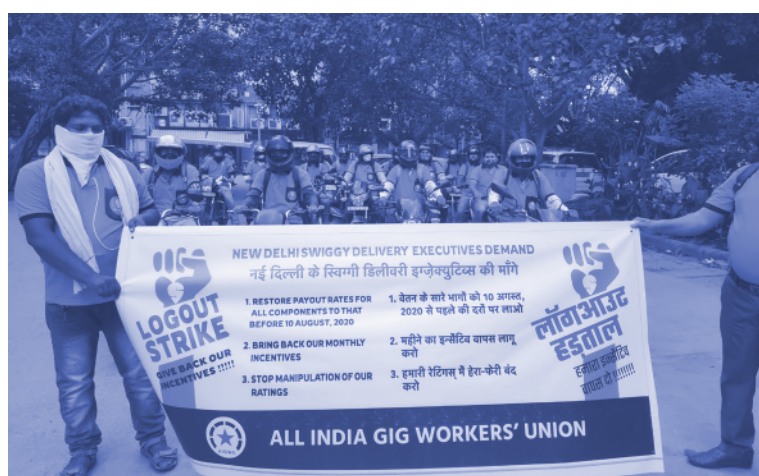
No actual interventions, including wage protections, equal treatment, or diverse hiring practices are actually suggested in the report. The thrust of the report is on voluntary actions by platforms with the government acting as a facilitator and providing incentives where necessary. The report does not suggest any guarantee regarding rights of women workers or PwDs in this sector.

The report recommends 'incentivising' women led-platforms or platforms that encourage recruitment of women employees and those with disabilities. Yet there is no mention of additional social security benefits (such as maternity benefits, transport subsidies, creches) or provision of equipment, tools or work assets that will ensure sustainable participation of women or PwDs. There is no analysis of the actual factors that keep women from working such as social mores, family and household care responsibilities, unequal pay or harassment by coworkers or customers, or how such factors may be ameliorated by policy interventions.

★ ALTERNATIVE RECOMMENDATION

THERE SHOULD BE LEGAL AND REGULATORY MEASURES WHICH ENABLE WOMEN TO PARTICIPATE IN THE GIG ECONOMY MORE FULLY—FOR EXAMPLE, CRECHES, SEXUAL HARASSMENT PREVENTION MEASURES, EQUAL WAGES, PROPER HOURS AND WORKING CONDITIONS.

There should be safety provisions for all gig workers, especially for women who face dangers of harassment when they go to a customer's home for work. Importantly, there need to be enforcement mechanisms—accessible and efficient—to enforce the above schemes and rights.

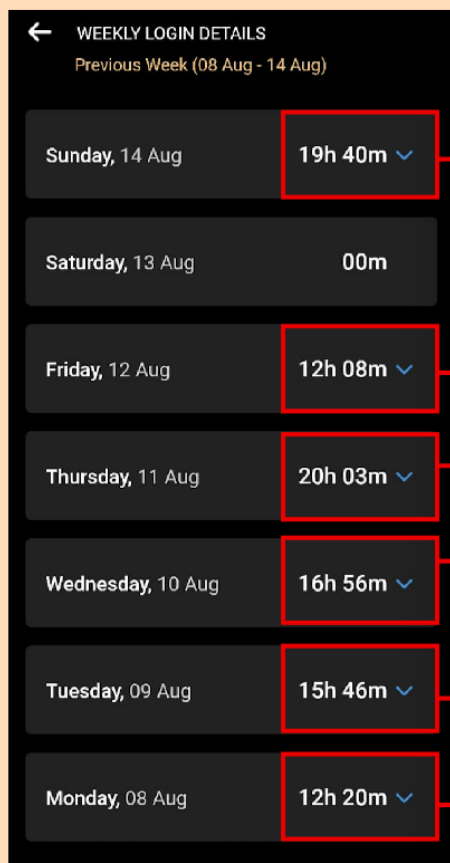
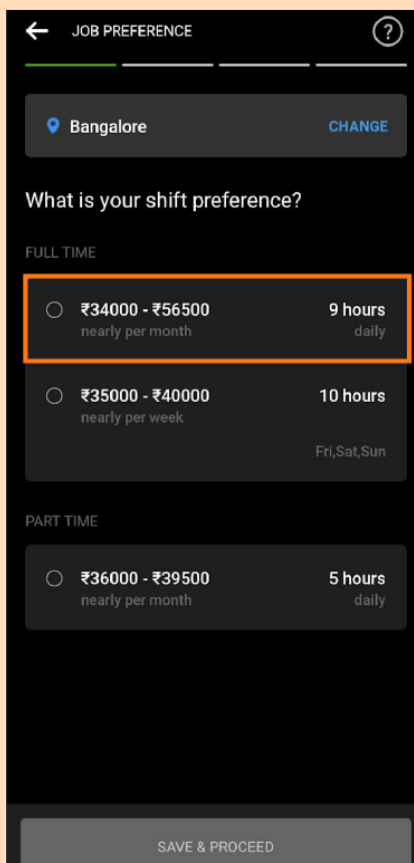


THE MECHANISMS OF SOCIAL SECURITY FOR GIG WORKERS IN THE REPORT OVERWHELMINGLY FOCUS ON CONTRIBUTIONS BY THE PUBLIC EXCHEQUER OR VOLUNTARY MEASURES BY THE PLATFORMS, ABSOLVING PLATFORMS OF ANY SUBSTANTIVE ACCOUNTABILITY. IT COMPLETELY IGNORES ACTUAL DEMANDS MADE BY GIG WORKERS FOR A GUARANTEE OF THEIR RIGHTS SUCH AS LABOUR PROTECTIONS, FAIRER WAGES, WORKPLACE SAFETY, AND PROPER WORKING HOURS.

What Swiggy assures at the time of PDP Onboarding in Bangalore



The reality : Workers in AECS layout, Bangalore earn only 10-15000 Rs. per month (including fuel & other expenses) after working an average of 14-16 hours per day!



5. EXTENDING SOCIAL SECURITY FOR GIG AND PLATFORM WORKERS IN INDIA

★ NITI AAYOG'S RECOMMENDATION

The report proposes a host of social security measures that may be paid for by the public exchequer or through voluntary measures by the platforms themselves. It claims (despite evidence revealing the contrary) that platform-led social security measures during the Covid-19 pandemic were successful in mitigating challenges faced by workers. In fact, the report claims this as a model that may be replicated for offering social security measures to workers as general practice. The report mentions one such measure where—*“[,] a mobility platform, in order to support auto-rickshaw, cab, kaalipeeli and taxi drivers to mitigate the effects of the Covid-19 lockdown on their income, created a corpus of INR 20 Cr, called the “Drive the Driver Fund.” Measures such as offering a social security cover out of a corpus fund can help support gig and platform workers and other self employed individuals associated with the sector in case of contingencies.”*

The report also points to platform-led social security measures in other countries like Indonesia and the UK, as examples of initiatives that can be offered to gig workers in India, including occupational disease and accident insurance, retirement/pension plans and other contingency benefits, and income support. Crucially, the report only imagines social security measures as contingency and mitigation measures for ‘self-employed’ gig workers, rather than an aspect of ensuring labour rights of gig workers.

★ REALITY

The report neglects to mention that a 2021 [Fairwork Foundation report](#) on gig workers in India clearly states that while some platforms do carry out the health insurance and other required measures, none of them have been guaranteed to be entirely compliant. The same is true for social security measures announced by platforms during the Covid 19 pandemic, as reports by [Fairwork Foundation](#) and [Centre for Internet and Society](#) reveal. Several platforms were found to be non-compliant with even basic measures such as fairer terms and conditions. Further, no evidence was found that the conditions for gig workers had improved to any substantial extent as a result of the policy measures such as health insurance

espoused by the report. This has resulted in unrest among gig workers in India and there have been strikes throughout including as recently as June-July 2023, when AIGWU coordinated city-wide protests. Further, Fairwork Foundation concludes that several of the problems faced by India's gig workers could be ameliorated by guaranteeing workers key labour rights and protections, and rejecting low pay, poor conditions, inequity, and a lack of agency and voice as the norm.

The recommendations of the report overwhelmingly focus on social security measures to be paid for by the public exchequer or voluntary measures by the platforms themselves. It completely ignores the actual demands being made by gig workers such as labour protections, fairer wages, better safety, proper working hours, etc. There are no recommendations on creating mechanisms for redressal of gig workers' grievances, and to enforce labour rights.

★ ALTERNATIVE RECOMMENDATION

- 1.** Minimum guarantees and benefits for all workers on digital platforms, regardless of their classification. These must include:
 - a.** Minimum wage – Effective minimum wages of INR 26,000 per month as demanded by the Joint Platform of Central Trade Unions in India. This figure must be used to determine the minimum payout for an hour's worth of work on a platform.
 - b.** Insurance – Health insurance, personal accident insurance cover and old age pension.
 - c.** Bank account – A bank account that does not require minimum balances or charges based on minimum balances.
 - d.** National Family Benefit Scheme – A lump sum payment to workers' families under National Family Benefit Scheme if there occurs the sudden death of the sole breadwinner irrespective of the cause of the death.
 - e.** National Maternity Benefit Scheme – National Maternity Benefit Scheme for all women workers. Provisions for maternity benefits must be in accordance with the Maternity Benefit Act 1961 and the amendments of 2017.

- f.** Temporary disability benefits – Temporary disability benefits in the form of a satisfactory compensation for a worker that may meet with an accident while on duty, that may leave them incapacitated to a degree where they will be unable to execute job responsibilities for a certain period of time.
- g.** Permanent disability benefits – In an unfortunate instance, a gig worker may meet with an accident while on duty, that may leave them permanently disabled rendering them jobless forever. In such cases, a satisfactory compensation must be provided to help them sustain properly for the rest of their life.
- h.** PF benefits – Provision for Provident Fund (PF) must be made for gig workers. The tripartite board should have the sole authority to finalise the fund allocation and accumulation for this purpose.
- i.** Security and safety for women and issuance of government ID cards – Gig workers have to travel to unknown places and localities, where residents become suspicious of them. The issuance of a government ID card will help them establish their own identity and increase their credibility among the residents. They can also show their ID cards to police officers nearby, while seeking assistance.
- j.** Fuel surcharge waiver while on duty – The state government must consider the option of waiving off fuel surcharge for gig workers, while on duty. Gig workers can show their government issued ID card and their job details on the corresponding aggregator’s digital interface at fuel stations to avail this waiver.
- k.** Parking fees waiver while on duty – The state government must consider the option of waiving off parking expenses / penalties for gig workers, while on duty. Gig workers can show their government issued ID card and their job details on the corresponding aggregator’s digital interface to the traffic management personnel to avail this waiver.

- 2.** Constitute a law and Tripartite Board (with representation of workers and worker organisations, aggregators, and the government) to ensure registration of all platform-based gig workers and facilitate their access to social security. The law should cover all those persons who are engaged in professions that are using digital platforms for their last mile delivery.

6. RECOMMENDATIONS FOR FUTURE ESTIMATIONS OF PLATFORM WORKERS

★ NITI AAYOG'S RECOMMENDATION

Definitions for gig workers and platform workers as per the report include—“Gig workers – those engaged in livelihoods outside the traditional employer-employee arrangement – can be broadly classified into platform and non-platform-based workers. Platform workers are those whose work is based on online software apps or digital platforms. While, non-platform gig workers are generally casual wage workers and own-account workers in the conventional sectors, working part-time or full time.”

This broad definition of gig work is the by-product of the labour Code on Social Security which provides the gig economy a definition so broad that it competes with definitions of the unorganised sector, and yet inadequately explains the phenomenon of gig work in Indian society today. The report's attempt to further divide such work into those enabled by digital platforms to assign and govern their tasks is the obvious next step. However, throughout the report, it provides only broad level assumptions of characteristics for those performing work under digital platforms. Some assumptions can be observed in statements like as follows— *“Gig workers are comparatively young, working for fewer hours a day on gig work, preferring a flexible work schedule, typically with low to middle level of education. Income through gig work is not their primary source of income and they are often holding another regular job. They value transparent, timely and assured payments while non-wage benefits are not attractive to such workers.”*

★ REALITY

To estimate gig workers in the country, the report has casually inferred other characteristics that are detrimental to gig workers availing their rights in the gig economy. Many drivers in ride hailing platforms have worked under these platforms since the early 2010s, often with multiple dependents at home and use the earnings from platforms as their primary source of income. Thus the assumptions made by the report already fail to include one of the largest gig worker subgroups in the country. Similarly, from AIGWU's experiences of interacting with workers from the gig economy, most of them argue that earnings from platform work constitute their main source of income.

Simultaneously, when the country's unemployment rates remain stagnant the gig economy is seen as a solution for employment generation. Thus, how can the report assume that those in the gig economy have multiple jobs outside of it? The report has incorrectly understood the contextual realities of workers in the gig economy to assume that workers have options, while the reality of the economy shows us that such opportunities do not exist.

While looking at the variables that the report uses to create estimation tools for the gig economy, there is no clarity on the type of characteristics that are finally chosen. For example, when looking at education levels, the report assumes that workers' education levels could range from secondary schooling to graduation. Without expanding on the type of graduation degree (professional, non-professional, etc), there is no clarity on whether such a variable is essential or not considering that workers can have absolutely any educational background to join such professions.

Similarly, other variables such as geographical locations begin with the assumption that only large metropolitan cities witness the mushrooming of gig workers. However, the report later also admits that smaller towns and tier 2 cities are also having growing gig economy jobs, contradictory to earlier statements. Would it be preferable instead to use other variables such as immigration rates and population in cities/ towns/ districts since we do observe large migrant populations also benefiting from work in the gig economy?

Finally, other problems in the estimation stem from the large range of work that the report assumes as part of digital platform work, which is also inclusive of architects, engineers, financial clerks, etc. Previous literature on gig work provides a clear definition of location-based labour (such as delivery work, in-person services, etc) and online labour (which is often required for specific highly skilled individuals). Considering that the secondary literature that the report cites predominantly involves studies on location-based labour, such broad variable definitions obscure the differences between the two forms of work. Thus, it is imperative that the report create two different estimation mechanisms for location-based labour and online labour created by the platform economy, considering the vastly different employment conditions between the two forms of work, where location-based labour actually shares more characteristics with informal labour practices than with online labour.

The contradictions and lack of clarity in variable definitions by the report has been designed to confuse readers, and promote pro-gig work stances rather than analyse the ground realities of the platform economy.

★ ALTERNATIVE RECOMMENDATION

Without understanding nuances within the broad definition of the gig economy and providing clarity on variable definitions, workers in the gig economy should not blindly be lumped with the unorganised sector. There must be two different estimation strategies for location-based labour under platforms and online labour.

ASSUMPTIONS THAT WORKERS IN THE GIG ECONOMY HAVE ALTERNATE SOURCES OF INCOME MUST BE REFUTED. RATHER, IN THE CASE OF GIG WORKERS IN THE INDIAN CONTEXT, THE ASSUMPTION BASED ON GROUND REALITIES MUST BE THAT THESE JOBS ACTUALLY CONSTITUTE PRIMARY SOURCES OF INCOME FOR WORKERS.

Primary data must be collected across the country where platform work is seen as a clear option for individuals to choose as a profession. Thus, one can clearly estimate the percentage of the population that depends on the gig economy in a consistent manner rather than estimating across variables and assumptions.

Similarly, digital platforms must provide adequate data on the number of workers registered on the platform in every region (along with work time data for their workers to state governments) in order to actively prepare for public infrastructure requirements that are required for such employment generation.

In an important win for AIGWU, during the conciliation process with UC, the District Labour Commissioner in Gurgaon has identified the UC partners as full time workers who deserve overtime pay and asked them to open the blocked IDs

- @aigwu_union, Twitter

UC 'PARTNERS' ARE FULL TIME WORKERS & DESERVE APPROPRIATE PROTECTIONS - GURUGRAM DLC

Setting a historic precedent, the Labour Department of Government of Haryana in Gurugram has recognized Urban Company 'partners' as full time workers, who should be covered under labour protections. The Deputy Labour Commissioner has directed the UC management to reinstate all illegally terminated UC workers and has also demanded a scrutiny of all worker facing policies in the next conciliation meeting.

UC WORKERS KI EKTA ZINDABAD! AIGWU & CITU ZINDABAD!



ALL INDIA GIG WORKERS UNION (AFFILIATED TO CITU)

TOWARDS RIGHTS-AFFIRMING FUTURES IN THE PLATFORM ECONOMY

Platformisation is not a silver bullet for all economic sectors and all types of workers. In the absence of universal unemployment protection, platforms may play a role in providing employment of last resort after adequate regulation. However, this safety net role that platforms can play in the labour market must be acknowledged specifically. The dangerous assertion that platformisation is a panacea for economic stagnation and increasing unemployment in all sectors must be reversed.

For each new sector that platforms enter—be it manufacturing or construction (highlighted by the report as priority areas)—workers, consumers and citizenry along with sectoral experts must be engaged to understand the effect that such an entry would have on wages and working conditions. This is connected to the future strand of research that the report acknowledges is needed on whether the platform model is formalising or informalising the economy. What is well understood in developing countries is that, left to its own devices, the platform model preys upon the fault lines in the informal economy.

The reality of the matter is that when technology is consistently used to reduce or remove entry barriers in a given sector, individual workers do not have incentives (and indeed the opportunity) to upskill themselves. The technology that is being hailed as paradigm-changing and ‘platform efficiency’ ultimately amounts to various modifications of a pattern-matching algorithm which brings networks of consumers and service providers together. These technologies are well understood in the technical community and can be replicated under public scrutiny to ensure that their most pernicious effects can be regulated. Such approaches need to be extended to workers and their collectives.

It is time that the platform model with such a heavy regulatory push behind it should be seen as an enabler of the constitutional right of freedom of association of gig workers. The sector is so dynamic that regulators are not always able to respond to every change with appropriate and timely regulation, so trade unions must be provided the scope to be agile in order to bargain directly with platforms for increased wages and better working conditions. Such a scope needs to be hard-coded into the design of the platform itself. Platform cooperatives can be one way of baking in these pro-worker and pro-consumer incentives within the design of the platform.



**All India Gig Workers' Union
(Affiliated to CITU)**