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India's Booming Gig and Platform Economy

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The rise of the gig economy in India over the last decade has been quite significant. The flexible nature of work and low barriers to entry have made the gig and platform economy quite accessible and attractive to workers who want to earn additional income. Close to 2.35 crore workers in India are said to join the gig economy by the end of the decade constituting about 4.1% of India's total workforce. With this rapid expansion of the gig economy, policies have to be revisited to make jobs in the sector accessible to women and persons with disabilities (PwDs) from rural and semi-urban communities to create better livelihood opportunities.

Key Highlights:

The Gig and Platform economy in India

- The gig economy engages workers in work outside of the conventional employer-employee relationship through which they can earn. Workers in the gig economy are broadly classified into the *platform* and *non-platform* workers.
- Platform workers are those whose work is based on online applications/digital platforms like Swiggy, Ola, Zomato, etc., to name a few.
- The gig economy in India is growing quite rapidly, particularly during the COVID pandemic owing to the increased dependence on online hyperlocal delivery and mobility platforms.
- According to an estimate, there were 68 lakh gig workers in 2019 - 20 using both the principal and subsidiary status. There were 77 lakh workers in the gig economy between 2020 - 21 and this figure is projected to 2.35 crores by 2029 - 30.
- Gig work is expanding across all sectors of the economy, particularly retail, transportation, manufacturing, insurance, finance, and education.
- Platform labor has grown a lot in India over the last decade owing to the low-entry barriers.
- There are 3.3 million platform workers in the digitalized passenger mobility and hyperlocal delivery services which is more than the 1.254 million workers engaged in the Indian Railways.
- Despite the burgeoning Gig and platform workforce, there is no official data that estimates the extent of work in the country. In order to bridge this data gap, it is imperative to undertake a separate survey to estimate their number in the country and study their characteristics.

Characteristics of gig workers

- Gig workers are comparatively young. They work for a few hours in a day and prefer flexible work timings.
- Location-based gig work is largely concentrated in urban areas and the gig workers are mostly between the ages of 18 - 45.
- The education level of gig workers ranges from secondary school to graduation. Evidence around the world suggests that work with any degree of complexity is giggable, demanding skills of different complexity levels.
- All platform-based work requires the ownership of a smartphone. Therefore, only those workers who have smartphones are a part of the gig/platform economy.
- The gig economy, like every other sector, demands different skills and levels of skills. Currently, workers in the gig economy are engaged more in medium and low-skilled jobs as compared to high-skilled jobs.
- Data and trends suggest that workers in the gig economy are going to move from medium-skilled jobs to low and high-skilled jobs.

Features of the gig and platform economy

- The platform economy is a subset of the gig economy because platform work specifically takes place only on different platforms/applications whereas gig work could take place outside of it as well.
- On the other hand, the platform economy is a step up from the informal economy because they enjoy the flexibility and choice of labor and guaranteed payments, etc., to name a few differentiating factors.
- While 37.6% of gig workers are in the organized sector, there has also been an upward trend of workers in the informal economy.
- Informal workers are those who do not have a contract for at least a year and work in the non-agricultural sector.
- The platform economy has grown a lot over the last decade owing to the low-entry barriers, what it also does is solve inefficiencies in the system. It eliminates social barriers like caste and gender, to an extent.
- The platform economy is asset-light and does not require a substantial investment of any sort. It operates off the dividends of a network effect.
- The job role and work is to an extent clearly defined in the platform economy where services are rendered by a worker on the platform as and when there is a demand.

Skill Development

- There is a lot of potential that comes with being a part of the platform economy given the nature of the work itself. Since all work takes place on the phone either in a web-based application or a platform, over 44.7% of workers have acquired smartphone skills in recent years.
- Some platform companies have tied up with the NSDC to upskill blue-collar workers at scale.
- The National Apprenticeship Training Scheme of the Ministry of Education and the National Apprenticeship Promotion Scheme and Dual System of Training initiative of the Ministry of Skill Development and Entrepreneurship both combine theoretical training with practical training from industry partners to provide a hands-on experience to the students.
- The Ministry of Skill Development and Entrepreneurship is coming up with 'Skill Development 2.0' to meet the skill development demands of the gig and platform sector.
- Gig workers will be registered on the portal which will record their current skill and education levels which will be readily available on the 'Skill Card'.

Challenges faced by workers in the gig and platform economy

- Despite there being low barriers to entry and low investment, access to the internet and technology is a challenge, particularly for women as compared to men in rural and urban areas.
- Platforms that require women to render services in person may only be accessible to urban women.
- Another inhibitor that prevents women from joining the gig economy is the lack of collective bargaining power, especially in the gig economy structure, one that's very similar to the informal economy.
- There is a lack of job security, irregularity of wages, and uncertainty due to the regularity/irregularity of work.
- Gig and platform workers are also often not able to access workplace entitlements because they are termed as 'independent contractors' by platforms. This denies them the right to collectively bargain for the same.
- Additionally, owing to the uncertain and irregular nature of gig and platform work, workers in these sectors face a lot of pressure with respect to managing their time and tasks as and when they come up.

Way Forward

- Conducting workshops in rural, semi-urban, and urban segments to create awareness about gig and platform work as a form of occupation.
- Creating outcome-based skilling opportunities for gig and platform workers. Aligning skill development programs with the demands of the industry.
- Running digital and financial literacy courses for workers entering the gig and platform sector, particularly the platform sector to help workers interact better with the interface of the platform and verify payments online as and when tasks are completed.
- Running skill/vocational development programs aligned with the needs and requirements of women and persons with disabilities (PwDs).

- Protective measures should be undertaken by platform businesses by providing health access, offering paid sick leaves, strengthening operational safety. While the Government should play an active role in designing and implementing policies that promote decent work opportunities and growth potential in this sector.

Read more: https://www.niti.gov.in/sites/default/files/2022-06/25th_June_Final_Report_27062022.pdf

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