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Gig Economy: An Unorganised Sector

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The gig economy is a free market that employs people temporarily. Covid 19 is promoting the employment of gig workers for digital platforms the most. The digital age has contributed to the growth of the gig economy in India. Advances in technology and the digital age are making the attitudes of millennials and Gen Z unusual, which can be easily shared through NITI's report. If we compare Indian gig worker regulations with other countries, it is clear that there are no regulations in India and most of them do not adequately describe gig workers. Among other things, the Government of India may consider creating programs for gig and platform workers which allow them to actively participate, participate and benefit from Social Security benefits while maintaining their concert status. Alternatively, the government could classify gig workers (also known as platform workers) as small or medium-sized establishments, and consider expanding organizational benefits already available to small and medium-sized businesses (such as health care, insurance, and disability benefits). The board may consider establishing an independent council or organization that would act as a special undertaking to oversee the implementation of the aforementioned schemes and help the board raise awareness of these schemes among gig workers to ensure the smooth implementation of the said systems and that the gig workers achieve the benefits of the said systems.

Keywords: *gig economy, platform workers, unorganized sectors.*

INTRODUCTION

The term gig is inspired by jobs that are contractual or which have a short period. The gig economy is a free market that hires people on temporary bases. It is a recent trend because the workforce is becoming more mobile and most work is done on digital platforms. The trend of the gig economy comes from the environment, for example, covid 19 contributes the most to hiring gig workers on digital platforms. The most attractive advantage of gig jobs is that the independent worker can have direct contracts as compared to the dependent one. Now, the question arises Are gig jobs a reliable source of income for workers? Does the diversity of their jobs make it negative or positive? Some questions will be briefly answered in this article.

In India, 15 million gig workers are operating in a variety of sectors¹, including software, shared services, and professional services, according to a report by Boston Consulting Group. The gig economy industries, which employ both blue-collar and white-collar workers, are credited for creating 56% of the country's new jobs. A different study suggests that Tier 2 and Tier 3 markets are seeing a rise in the gig economy. Blue-collar jobs are most prevalent in the gig economy. as an Indian, if a person talks about the gig economy or an unorganized sector of India the 1st thing that comes to that person's mind is blue-collar jobs. for instance: during the time of Diwali the unorganized sector of the cracker industry gets a boost in the sales of crackers. and after that it becomes negligent.. now, the question arises if blue-collar jobs are more prevalent in the gig economy, does it provide security or labor protection to its workforce? If the gig economy employee has to upgrade his or her skill then, why does the sector observe skill gaps? This article will explain the gig economy in the context of India.

MAJOR DETERMINANTS FOR THE GIG ECONOMY IN INDIA?

One of the main determinants for the acceleration of the gig economy is the attitude of the generation to their career. The millennials choose to work in jobs they enjoy over those that might not fulfill their deepest desires. One of the favorable criteria for working in the gig

¹ Nilanjan Banik, 'All is Not Well With India's Gig Economy' (*The Wire*, 09 May 2022)
<<https://thewire.in/economy/all-is-not-well-with-indias-gig-economy>> accessed 15 January 2023

economy is that there is no geographical barrier. The digital era brought a lot of opportunities for the individual. And this also benefits the employers that they could choose the best talent around the world and this too helps to upgrade the skills of workers. However, the outbreak of covid 19 helped to go through the roof of the gig economy in the digital era, and covid 19 largely contributed to the trend for the gig economy.² The key driver for attracting millennials is the fixed fee (contracts)³. It is a time of extraordinary innovation and disruption, fueled by the explosion of start-ups that are ready to take on the world with their revolutionary goods, business strategies, and funding. With over 15,000 start-ups formed in 2020, up from 5000 in 2010, India is currently the third largest start-up ecosystem globally (by the number of start-ups).

This startup ecosystem's underlying enablers include widespread smartphone and internet use, cloud computing, application programming interfaces (APIs), and a functioning national payments stack. In addition, because of the Covid-19 pandemic, India has seen a greater number of unicorn startups (startups valued at over \$1 billion) in 2021 ⁴than it did from 2011 to 20. ⁵and for startups the hiring of full-time employees costs them high so, they prefer to invest in contractual employees or contractual freelancers.

CHALLENGES ASSOCIATED WITH GIG WORKERS?

According to a KarmaLife survey, families with 71% limited earnings as the main breadwinners spend the majority of their money on debt repayment and other essential household expenses.⁶ Additionally, the gig economy experiences widespread compensation irregularities, with

² Gobinda Roy & Avinash K Shrivastava, 'Future of Gig Economy: Opportunities and Challenges' (2020) 9(1) IMI Konnect
<https://imikonnect.imik.edu.in/uploads/issue_file/3590503Mod_imiKonnect_January_March_2020.pdf#page=18> accessed 15 January 2023

³ Contract Labour (Regulation and Abolition) Act 1970

⁴ '\$1B+ Market Map: The world's 1,205 unicorn companies in one infographic' (Research Briefs, 11 January 2023)
<<https://www.cbinsights.com/research/unicorn-startup-market-map/>> accessed 15 January 2023

⁵ Drishti ias, gig economy , 2022 , <<https://www.drishtiias.com/to-the-points/paper3/gig-economy-2>> accessed on april 2022.

⁶ Mihika, 'Gig Work Is On Rise, But Most Gig Workers Live A Hand-To-Mouth Existence, Reveals Survey' (Outlook, 13 July 2022) <<https://www.outlookindia.com/business/gig-work-is-on-rise-but-most-gig-workers-live-a-hand-to-mouth-existence-reveals-survey-news-208757>> accessed 15 January 2023

normal payment delays, salaries being postponed, unexpected budget⁷ cuts, etc... ⁸and this concludes that most people in India thrive on security and stability (for instance, the payment is assured unless the completion of the contracted project reflects the lack of financial stability) and gig jobs themselves contradict these including insurance rights the gig workers also lacked with limited employment rights like minimal wages, health benefits, sick leaves, and retirement benefits and also kills the enthusiasm for overtime work as they do not secure payment for overtime work therefore, this leads to the deterrence of talented employees because of unprotected nature.⁹

In the wake of covid 19 pandemic Numerous members of the lower social classes, members of the oppressed and backward classes, migrant workers, laborers, and employees in the unorganized sectors were severely impacted since they were unable to make ends meet and were thus forced to hunger.¹⁰ Due to their restricted access and claim to the welfare resources provided by the States/Union Territories, migrant workers experienced financial challenges and other types of suffering during both the first and second waves of the epidemic. The economic downturn is especially dangerous for migratory workers. In the case of the National Textile Workers' Union and Others v P.R. Ramakrishnan and Others¹¹, a Constitution Bench of this Court made significant observations about the type of labor that employees put in when working for a company. The Constitution Bench's observations are especially relevant for unorganized workers because they don't even have steady, regular employment. In the case of migrant workers Problems And Miseries Of migrant workers v Union Of India & Ors, the Supreme Court issued a decision in 2020 on the ministry's failure to be active in the case of migrant workers.¹²

⁷ *Ibid*

⁸ Rohit Rathi, 'Insurance - an emerging pain-point for gig workers' (*Financial Express*, 16 November 2022) <<https://www.financialexpress.com/money/insurance/insurance-an-emerging-pain-point-for-gig-workers/2823477/>> accessed 15 January 2023

⁹ Goutham Bende, 'The importance of understanding post covid gig economy trends' (*Economics Times*, 18 February 2022) <<https://cio.economictimes.indiatimes.com/news/strategy-and-management/the-importance-of-understanding-post-covid-gig-economy-trends/89654355>> accessed 15 January 2023

¹⁰ *Ibid*

¹¹ *National Textile Workers' Union and Others v P.R. Ramakrishnan and Ors* (1983) 1 SCC 228

¹² *Bandhua Mukti Morcha v Union of India & Ors* (2021) SCC OnLine SC 441

India's gig economy is likely to increase to 2.35 crore by 2029-30 from 77 lakhs in 2020-21, according to a NITI Aayog report the group is expected to form 4.1% of total livelihood in India by 2029-30.¹³ and according to this report of NITI Aayog gig workers can broadly be classified into 2 categories: 1) platform workers. 2) non-platform workers. the platform workers are those whose work is based on online apps GitHub is the largest platform in the ¹⁴gig economy in terms of technology .this category also includes driving jobs like taxi cabs, and auto rickshaws, the most prevalent apps are ola and uber. and scooters or motorbikes as taxis, for instance, Rapido whereas, non-platform workers are those whose work is based on casual wage work, own account work in the conventional sectors, or working full-time or part-time.¹⁵ The report also states that about 47% of the gig workers are medium-skilled jobs, about 22% are low-skilled jobs, and 22% are highly skilled jobs. The medium-skilled jobs include independent consultants, administrative assistants, tutors, content writers, etc.

Medium-skilled workers include electricians, carpenters, beauticians, telecalls and low-skilled workers include cab drivers, delivery agents, and pickers and packers, etc. however, the trend shows that the medium-skilled workers are declining whereas, the high-skilled workers and low-skilled workers are increasing. In the above paragraph, the gig economy is celebrated as highly productive, and highly efficient whereas under the counter. The bad working conditions of gig workers, especially those at the lower end of the skill chain in India's employment gaps, are frequently overlooked.¹⁶ These conditions include appallingly low wages/income, little social security, no job security, and a poor working atmosphere¹⁷.

Multiple instances support the counterargument that Amazon India's delivery staff, ironically referred to as "delivery partners," went on a 24-hour walkout in Hyderabad, Bengaluru, Pune,

¹³ NITI Aayog, *India's Booming Gig and Platform Economy Perspectives and Recommendations on the Future of Work* (Law Com No 2706, 2022)

¹⁴ *Ibid*

¹⁵ Steven Vallas & Juliet B. Schor, 'What Do Platforms Do? Understanding the Gig Economy' (2020) 46 Annual Review of Sociology <<https://www.annualreviews.org/doi/abs/10.1146/annurev-soc-121919-054857>> accessed 19 January 2023

¹⁶ Shantanu Prabhat et al., 'India's "Uberwallah": profiling Uber drivers in the gig economy' (*ACM Digital Library*, 04 January 2019) <<https://dl.acm.org/doi/abs/10.1145/3287098.3287139>> accessed 19 January 2023

¹⁷ *Ibid*

and the Delhi-NCR region in March 2021 to protest the new policy. They would receive 10 for small package deliveries and 115 for tempo deliveries- down from rs 35 until then. Besides, they do not even deliver on time, they work on time. In the above arguments, this can be concluded that the gig economy is good for companies and bad for workers. the incentive provided by ola and uber was reduced to null in further years workers. According to some unauthentic based reports, the app-based company's employees also went through the same issues. one of the reasons can be explained through Given the increasing loss of jobs and businesses, as well as the rise in MNCs and start-ups, including unicorns, who base their operations on gig workers across a wide range of industries that require both skilled and unskilled labor, the growth of the gig economy and gig workers in India has an element of inevitability. These enterprises operate in the formal, organized sector but employ a significant number of independent contractors and gig workers. It has become clear that gig workers struggle greatly with the rigid norms and criteria at conventional financial institutions. It is a continuation of India's long-standing, uncontrolled informal labor market, which has long been widespread. which needs to be addressed as soon as¹⁸

LEGAL ASPECTS

The National Commission on Labor's proposal that the main labor laws be unified prompted the Ministry of Labour and Employment to create the Code on Social Security, 2020 (Code)¹⁹, which recognizes workers including construction workers, contract laborers, and unorganized workers. Following the Code, both platform workers and gig workers are recognized and defined. If this Code were to become law, all workers and employees—²⁰whether they are working in the organized, unorganized, or other sectors—would be eligible for social security.²¹ The Code replaces several labor and employment laws with varying applicability and coverage,

¹⁸ A.M Jigeesh, 'Centre to hold sessions on rights of gig workers' (*The Hindu*, 01 June 2022)

<<https://www.thehindu.com/news/national/labour-ministry-to-hold-brainstorming-session-on-gig-workers-gig-economy/article65484720.ece>> accessed 19 January 2023

¹⁹ Code and Social Security 2019

²⁰ *Ibid*

²¹ Code on Wages 2019

including the Employees' Compensation Act of 1923²², the Maternity Benefit Act of 1961²³, the UWSSA, and the Payment of Gratuity Act of 1972. In terms of social protection, this law is unclear. All previous Social Security legislation has been repealed in favor of the new 2020 Social Security Code. The provisions of the 2020 Social Security Code may now be visible. Except for the clause mandating the use of Aadhaar²⁴, the Code on Social Security, 2020 has not yet been implemented despite receiving presidential approval in August of that year. In light of this, registration under the Acts of 1996 and 2008 must continue until the provisions of the Code on Social Security, 2020 take effect²⁵. Following the Acts of 1996 and 2008, registering is advantageous for unorganized personnel because doing so enables them to take benefit of the assistance programs offered by the Central Government and the State Governments. This makes the registration of unorganized labor crucial and required to guarantee the well-being of workers. ²⁶The definition of "gig workers" in this statute is "employees in the unorganized sector," but it's unclear what protections they receive. Following Section 109 of the code, the federal and state governments "must establish and publish, from time to time, effective assistance strategies for unorganized workers." Contrary to the rather explicit requirements set in the previous legislation that it has replaced, the code does not provide any clear objectives, timeframes, or funding mechanisms for any social security strategy. Regrettably, the political will to implement these benefits at the national and state levels, as well as the extent of union support, will determine their success.

CONCLUSION

To put the light on the gig workers who work in the field are not protected by proper or standard regulations. The advancement of technology and the digital era makes the unusual attitude of millennials Which can easily bifurcate through NiTi report. If India's regulations for gig workers are compared to those in other nations, it is clear that India lacks regulations, and the majority of them do not adequately describe form platform workers and gig employees. The Indian

²² Employee's Compensation Act 1923

²³ Maternity Benefit Act 1961

²⁴ *Ibid*

²⁵ *Ibid*

²⁶ Unorganised Workers' Society Security 2008

government, among other things, may think about coming up with several programs for gig and platform workers that would allow them to actively engage in, contribute to, and benefit from social security benefits while still preserving their gig status. As an alternative, the government might classify gig workers (also known as platform workers) as a small or medium institution and think about expanding the benefits (like health care, insurance coverage, and disability benefits) already available for small and medium-sized businesses in the organized sector or unorganized sector. The government may take into consideration creating an independent council or organization that would serve as a special purpose vehicle to oversee the implementation of the said schemes and help the government raise awareness of the said schemes among gig workers to ensure the smooth implementation of the said schemes and that the benefits of the said schemes are reached out to gig workers.