

TSPSC G 1 | UPSC - CSE | APPSC G 1
DAILY MAINS ANSWER WRITING**15/07/2024****(MODEL ANSWER)**

- Q. Discuss the challenges and opportunities of the gig economy in India with reference to recent legislative measures. Also suggest measures to enhance social security and welfare of gig workers. 15 Marks

Answer Template:**Introduction:**

- The gig economy, characterized by short-term contracts and freelance work as opposed to permanent jobs, has grown significantly worldwide, particularly in India.
- According to a report by NITI Aayog, the gig workforce is expected to expand to 23.5 million by 2030.
- However, this sector faces numerous challenges, especially in terms of employment relations, social security, and welfare.
- Recent legislative measures, such as the Karnataka Platform-based Gig Workers (Social Security and Welfare) Bill, 2024, and the Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023, aim to address these issues.

Body:

- **Challenges:**
 - **Employment Relations:**
 - Complex and non-existent employment relations under traditional labour laws.
 - Aggregators view gig workers as independent contractors, not employees.
 - Gig workers consider aggregators as employers due to control over service conditions.
 - **Legal and Regulatory Issues:**
 - Traditional labour laws do not fit gig work models.
 - Lack of inclusion of gig workers in key labour codes (Code on Wages, Industrial Relations Code, Occupational Safety, Health and Working Conditions Code).
 - **Social Security and Welfare:**

- Absence of institutional social security benefits like provident fund, gratuity, and maternity benefits.
- Welfare board models historically poorly implemented (e.g., Construction Workers Welfare Act of 1996, Unorganized Workers Social Security Act).
- Income and Working Conditions:
 - No guarantee of minimum wage or regulated working hours.
 - Section 16 of the Karnataka Bill lacks guarantee on minimum income or revenue sharing.
- Job Security and Stability:
 - Lack of job security and long-term employment benefits impacts worker well-being.
 - Frequent changes in platform policies without worker consultation.
- Technological Dependence:
 - Gig workers' dependence on platforms for work creates an imbalance in power dynamics.
 - Digital literacy challenges among gig workers in understanding platform policies.
- Social Stigma:
 - Gig work often perceived as less prestigious compared to traditional employment.
 - Workers face societal biases and lack of recognition.
- Health and Safety:
 - Overworked gig workers, especially app cab drivers, face health risks and accidents.
 - Lack of occupational safety measures.
- Opportunities:
 - Employment Generation:
 - Gig economy provides livelihoods amid low employment rates.
 - Significant growth in app-based cab services (Uber, Ola) and delivery services (Swiggy, Zomato).
 - Flexibility:
 - Gig work offers flexibility in terms of working hours and location.
 - Appeals to individuals seeking work-life balance.

- **Skill Development:**
 - Opportunity for workers to develop diverse skills across different gigs.
 - Enhances employability in the long term.
- **Economic Contribution:**
 - Gig economy contributes significantly to economic growth and employment.
 - Supports entrepreneurship and innovation.
- **Global Trends:**
 - Reflects global labour market trends, aligning with international economic shifts.
 - Opportunities for cross-border gigs and remote work.
- **Policy Evolution:**
 - Recent legislative measures (Karnataka Bill, Rajasthan Act) show a willingness to address gig economy issues.
 - Potential for evolving policies to better protect gig workers.
- **Measures to Enhance Social Security and Welfare:**
 - **Recognition of Employment Relations:**
 - Acknowledge aggregators as de-facto employers to ensure legal obligations and protections.
 - Implement regulations that reflect the actual working conditions in the gig economy.
 - **Extending Social Security Schemes:**
 - Extend existing schemes like Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM) and Atal Pension Yojana (APY) to gig workers.
 - Ensure gig workers have access to provident fund, gratuity, and maternity benefits.
 - **Regulation of Income and Working Conditions:**
 - Establish minimum wage guarantees and regulated working hours.
 - *E.g. Include provisions in Section 16 of the Karnataka Bill for minimum income and fair revenue sharing.*
 - **Enhanced Welfare Board Models:**

- Improve implementation of welfare board models for better fund utilization.
- Learn from past models (e.g., Construction Workers Welfare Act) to avoid previous pitfalls.
- Worker Representation and Collective Bargaining:
 - Allow gig workers to form unions and engage in collective bargaining.
 - Create platforms for worker representation in policy-making processes.
- Digital Literacy and Training:
 - Provide digital literacy programs to help gig workers understand and navigate platform policies.
 - Offer training and skill development opportunities to enhance employability.
- Health and Safety Regulations:
 - Implement occupational safety measures for gig workers, especially those in high-risk jobs.
 - Ensure access to health benefits and insurance.
- Government Initiatives and Policies:
 - Develop comprehensive policies that address both employment relations and social security.
 - Foster collaborative efforts between government, platforms, and workers for sustainable solutions.

Conclusion

- As the gig workforce continues to grow, it is imperative for policymakers to create an inclusive environment that balances flexibility with security.
- Legislative measures like the Karnataka Bill and Rajasthan Act are steps in the right direction but need to address employment relations comprehensively.
- A positive way forward involves extending existing social security schemes, enhancing regulatory frameworks, and ensuring fair treatment and rights for gig workers. This will not only protect workers' rights but also sustain the gig economy's growth, contributing to the overall economic and social well-being of the country.