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A Critique on the Status of the Gig Workers in India

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Abstract

Gig is actually a slang term meaning a job for a specified period of time. But it has found its way into mainstream business vocabularies as more and more communities trend towards a gig economy. A gig economy is a free market system with a lot of temporary jobs. Gig workers include freelancers, independent contractors, project-based workers, and temporary hires, and they can be found in any business industry now a days. Writers, rideshare drivers, photographers, accountants, realtors, handymen, programmers, tutors, painters, dog walkers, and anybody else who enters into formal agreements with a company to deliver services without being on the payroll are all examples of gig workers. Because of digitization, the workforce is becoming more mobile, allowing workers to choose from a variety of temporary jobs all around the world. The gig economy also saves employers money on things like benefits, office space, and training, while giving employees advantages like a better work-life balance and the opportunity to choose the jobs or gigs they want. However, the gig economy has also brought in the challenges for the gig workers in the existing labour law systems. This paper intends to look into the status of gig economy workers in India and how can they be improved. To begin, this paper introduces some recent case studies in order to provide an impression of the status of workers in India's gig economy. However, with the help of illustrations, this paper also explains the gig economy and how it works in India. Second, this paper examines the current state of gig economy workers in India using case studies from various media outlets as well as academic research papers. It also draws on previous surveys of gig workers conducted in various parts of India and among various types of gig workers. Finally, this paper proposes some solutions for improving the status of gig workers and also suggests some actions that individuals and businesses, in addition to the government, can take to help improve the status of gig economy workers.

Keywords: Gig Economy, Gig Workers, Social Security, Status

INTRODUCTION

On August 25, 2021, a twitter user excitedly tweeted that his grocery order on the newly minted unicorn [1] Grofers (now BlinkIt) was delivered within 13 minutes. However, quoting the tweet, founder of Grofers, Albinder Dhindsa responded that “That’s 3 minutes too long. We will work harder in the future.” This tweet faced huge criticism across social media platforms which rounded about the huge pressure put on the gig workers including delivery executives due to on-demand deliveries.

Later on, Albinder Dhindsa issued clarification as to how the company will try to make the delivery possible only in 10 minutes [2]. However, this raises an important question about the status of the workers in a gig economy as the criticism across Social Media platforms would not be there without any concern. But first thing first, what is gig economy?

UNDERSTANDING GIG ECONOMY

Gig economy is a segment of economy where temporary and flexible jobs are commonplace and

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companies tend to hire independent contractors and freelancers instead of full-time employees. This segment of the economy basically works on fulfilling on-demand services of the customers at a fixed time. Let's understand this with the help of few illustrations:

How many times have you picked up your phone, opened an app and fulfilled your on-time necessity? Be it using the apps like Ola, Uber, Zomato, Swiggy, UrbanClap or any other.

It's like if you want it now, you will get it now. These apps work on on-demand services at the fixed time and this sector of economy is known as gig economy.

Now, let us try to understand the gig economy better with the help of another example. Consider the example of Zomato. You order some food which is delivered by a contractual delivery executive and which is prepared by any restaurant of your area from where you can even directly take away the food too. What is Zomato doing in all these? - providing a platform to run the economy. And they earn only by providing these platforms. As we have already understood, these firms which are a part of the gig economy work on fulfilling on-demand services. The most intriguing part of this is that they don't do it on their own (i.e., using their own workers/employees), but they use the workforce who work as delivery executives for them and use the services which are already available. They just provide services to the doorsteps using them. The people who are the actual service providers are actually the happier persons as their services are now reaching a larger number of people due to these platforms provided by the firms who work in the gig economy. Anyways, most of the restaurants who deliver through Zomato or Swiggy or any other platforms or most of the stores who deliver through Grofers or Big Basket or any other such platforms also have local sales to the local people or some sort of retail sale directly through their store. However, the major part of workers who work in the gig economy are delivery executives and they are fully dependent on the gig economy without being part of any other forms of economic sector, like have any other source of income without depending upon these firms, of which they are not a permanent employee. One of the major reasons why these firms get so many delivery executives could be the unemployment in our country. Anyways, we will focus on the status of the gig economy workers in our country in recent times.

STATUS OF WORKERS IN THE GIG ECONOMY

A delivery executive in Pune was seen driving his two-wheeler on the wrong side of the road. On the road, he manoeuvred through many vehicles which included cars and garbage trucks. When asked why was he driving on the wrong side of the road without a helmet, he replied, "I am already late for the pickup. And the traffic right now is very less [3]." This is just one example where the gig economy workers don't care about road safety but they break rules quite often. This is quite evident from the recent Ceat Tyres ad where a celebrity acting as one of the gig workers found breaking the traffic rules [4]. They are often seen glued with their cell phones while driving. There must be the reason behind the gig workers being so hurry that they don't care about road safety and traffic rules. You must have seen, on a day or other, a delivery executive driving on footpaths that too on wrong side. There must be something about their working condition in the gig economy because of which they do so and thus, it's important for us to look into the status of workers in the gig economy.

One may argue that the status of gig workers is not maintained by the firms because there are now promised time-bound deliveries by platforms like Zomato and Swiggy and recently, 10-minute delivery by Grofers, etc. But wait, we will come to the status of the gig workers only after we have seen the flip side of the coin. All the companies keep on saying that we don't levy penalties if there is delay in delivery of orders, but the road safety on stake is obvious because the more orders they deliver, the more rewards they get. And so, the delivery executives use such tactics to overcome traffic congestion. This seems to be one of the obvious reasons put forward for the gig workers breaking the traffic rules. Unfortunately, the story doesn't end here and the main reason behind these is that the delivery executives need to complete a certain number of deliveries daily in order to receive an extra incentive which is basically an algorithm set by different companies which in turn dictates the life of a delivery executive [5].

We have seen how the life of a gig worker is dictated by the firms for which they work. So, now we will be trying to find out a few of the impacts of the gig economy on the gig economy workers so to find out the status of the workers in the gig economy. We will focus on the workers who work only for gig economy without having an alternate option which means that we will include the delivery executives, service providers, cab drivers, etc. but won't be including the store owners or restaurant owners, etc.

Unstable Economy

Most of the gig workers work for almost 12 hours a day, 4 hours more than the usual working hours. Despite this fact, their wages are not as high as everyone thought they would be having. Let us first try to understand how this works.

Most of the workers who work in a gig economy are paid for two things - firstly, for every completed order, i.e., fixed base pay and secondly, for achieving various milestones, i.e., incentives. This sounds quite interesting but it actually isn't. One of the gig workers has said in an interview that if you just work for the base pay, you won't be able to afford an undergarment for yourself [6].

Most of the firms deny that their fixed basic pay is not low. However, in last few years the fixed basic pay has continuously decreased [7] and that is one of the reasons which indirectly forces the gig economy workers to work for almost 12 hours a day so that they reach their milestones and get the extra incentive. Furthermore, there is no denying the fact that the firms always claim that they do not penalize for lesser number of deliveries or for late deliveries. However, according to a gig worker, the workers who deliver orders in less time tend to get more deliveries than others [8]. These algorithms also, up to some extent, answer our question as to why delivery executives bend traffic rules at their will.

A similar approach has been undertaken by the other gig companies like Ola and Uber where the incentives are provided only after they complete a certain number of trips. These incentives were relatively higher a few years earlier than they are now. Every gig worker understands that if they won't be reaching their milestones, their whole day of earning would not make any sense and thus, they tend to ***work for almost 12 hours a day*** to reach their milestones.

One of the important questions here is how did these companies reach a position where they are dictating the gig workers. There are two main reasons behind this. Firstly, unemployment in our country as many people argue that gig workers are at least earning something whereas many are unemployed. Secondly, ***the Carrot and Stick Approach*** [9], i.e, the companies attracted the gig workers by showing them handsome incentives in the beginning phase and many workers joined them but now they have increased the difficulty of milestones which will make it difficult for the workers to earn incentives. This is similar to the fact that you show a carrot to someone to eat and when he eats, you beat him with sticks.

The incentives which were shown in the beginning phase made people attracted towards this economic sector and they registered with these firms by purchasing taxis or bikes or other means of transportation as required, by taking loans. Now, to repay these loans, they must earn and work for incentives. But there is yet another problem with these milestones. Apart from the milestones which the gig workers have to reach, there are certain terms and conditions attached to it (example of Zomato or Swiggy) such as, the gig worker must be logged in during the time period of 8 to 12 in the night when food deliveries are more in number, etc. [10]. Thus, the firms through their algorithms indirectly control the gig workers and therefore, they have an unstable economy if they do not reach milestones daily.

Impact on Health

As seen earlier, due to lower incentives, a gig worker has to work more to earn a lesser amount of money. One of the gig workers, who has been working for Ola for the last three years, said that he works from 7 AM to 11 PM and still earns less than that he used to earn before by working just for eight hours [11].

Due to continuous working hours and the on-demand nature of work, ***the meal schedules*** of most of the gig workers get disturbed and which further leads to problems like ***acidity***. Continuous driving also causes ***body ache*** and other problems but despite these severe impacts on health, they don't have any way out of this. Sometimes, they say that they don't even get time to take a toilet break.

Apart from these, almost 90% of the workers who work as drivers for Ola, Uber, etc. get ***less than 6 hours of sleep per day*** and which in turn leads to serious health ailments like ***anxiety*** and ***mental stress***. This, in turn, has increased the cigarettes, alcohol and tobacco consumption which also has a serious impact on their health [12].

These serious health issues are taken care by the employers towards their employee but in the case of the gig economy, the workers are not directly the employees of the companies. And this leads us to looking into their status as they have the lack of social security.

Lack of Social Security

The gig workers have a lack of social security too. As they are not in a regular economic sector and their job is not permanent, they are being deprived of social security. Firstly, there is ***no limit in their working hours*** and so they are not paid for overtime. In simple words, there is no concept of overtime for workers in the gig economy. Working overtime is part of their job as dictated by companies, although indirectly. Furthermore, they ***don't receive any kind of health benefits*** as received by workers in other sectors. Workers in other sectors also get paid for their overtime work and they have a fixed working hour which is not in the case of the gig economy workers.

Recently, a worker has said that as soon as his appendix surgery was completed, he came back to drive and had to take a rest after every drive as his appendix hurts when he used to drive [13]. This was because if he had chosen to take rest after his surgery, there wouldn't have been anyone who would have earned during that time and taken care of the family. These examples are sufficient to illustrate how important social security such as health benefits become in any economic sector for any worker as there are many families who are dependent on just one working individual of the family.

It is understandable for us that the nature of the work in the gig economy sector is on-demand and thus, there can be no fixed timing. However, there might be a limit in working hours for 6 or 8 hours (say) and then a break of 14 or 16 hours or something like that. There are possibilities to control this but the companies wouldn't like to do that to curb their own profits. In this way, the workers in the gig economy are also deprived of social security which they must have.

However, the demand for these social securities for the gig workers have seen a rise in the recent times and the government has thought about these when it has passed the four new labour codes, three of which is still in line to be implemented.

Pressure of Customer Ratings

You might have heard from every delivery executive and every Ola/Uber driver that please give us a 5-star rating. They ask for a five-star rating because there is a ***constant pressure upon them to maintain a minimum of 4.5-star rating [14]***. This also has an impact on their income.

Consider, a person has booked a non-AC affordable ride with Ola but when the cab arrives, he sees that the car has an AC. So, the customer asks the driver to close the window and turn on the AC. The driver can refuse to turn on the AC but if he does so, he has a fear that the customer might give him a lower rating. Thus, he won't refuse to turn on the AC for the sake of a higher rating.

In a gig sector company called Urban Company, if any service professional's rating drops below 4.5, they are removed from the platform and are sent for a retraining which imposes a constant pressure on them to maintain a higher rating. And to maintain a higher rating, they sometimes need to do extra jobs which are not even on their work profile like if a person asks for a free head massage after a body massage [15], the worker is almost ***bound to do more than 100% of what is required*** in order to maintain a good rating.

Like every other thing, there is a flip side of the coin that this actually makes the customer more powerful which is good but it actually is taking away powers from the workers working in the gig economy. The companies need not worry about this as they want paying customers and they only focus on customer satisfaction. But the sad part of this side is that the workers are sometimes unaware of the reasons why they received a bad rating as the customers have an option to skip the feedback/reasons/comments/review part. To make it even worse, there is ***no grievance mechanism system in these companies*** for these workers where they can ask for more information regarding their bad rating [16]. Sometimes, they are even kicked off a platform without any sufficient reason or notice being provided to them. Thus, customer ratings also impact the status of workers in the gig economy.

We have seen the status of the gig economy workers with the help of the impacts upon them due to them being a worker of the gig economy. However, as mentioned earlier, the government has proposed and passed new labour codes which tries to improve the status of unorganised class of workers, like the gig workers.

NEW INDIAN LABOUR LAW CODES AND THE GIG ECONOMY WORKERS

Due to the surge in the gig economy, the gig workers and other unorganised workers have increased in number in our country and thus it requires a complete overhauling of the archaic labour regulations to bring them in sync with the 21st-century business landscape and promoting investments. The government of India has rightly done so as it has brought forward the new set of regulations of four codes which consolidates 44 existing labour laws under the categories of Codes namely, Wage Code [17]; Social Security Code [18]; Occupational Safety, Health & Working Conditions Code [19]; and the Industrial Relations Code [20].

New labour codes introduce major changes, and it is critical that enterprises and organisations realize the key changes made by the new Codes, restructure and re-align as needed to adapt to the new labour code regime. The new labour code includes a number of rules and special provisions aimed at providing better regulations for businesses and establishments, allowing for greater flexibility in the industry. Additionally, the codification and consolidation of such laws has resulted in an increase of the scope and applicability of the laws, as well as ease of compliance, the elimination of several definitions, and the overlapping of authorities. The new set of laws will strengthen the relationship between the employer, the employee, and the government, have a long-term good influence on the industry, and contribute to the concept of ease of doing business.

Let us consider one example to understand how these new labour codes would help the gig workers. In the Social Security Code, there is a complete chapter dedicated to 'Social Security for Unorganised Workers, Gig Workers and Platform Workers [21]'. The gig workers and other unorganised labourers, unlike today, will have access to ***life and disability cover, accident insurance, health and maternity benefits, old age protection and crèche*** and other benefits as regular employees as determined by Central Government [22]. Furthermore, they will have access to welfare schemes like ***provident fund, employment injury benefit, housing, educational schemes for children, skill***

upgradation of workers, funeral assistance and old age homes which shall be determined by the State Government [23]. Thus, both the Central government and the State government will play an important role in ensuring that the status of gig workers and other unorganised workers improve a lot. These provisions are a ray of hope in the eyes of gig workers as they wish it to be implemented soon so that they might be a beneficiary of these provisions.

SUGGESTIONS AND WAY FORWARD

The status of workers in the gig economy is not good as it is quite relevant from the issues which we have discussed above. However, there is a positive side of this where people say that the workers in the gig economy have a security that they have a work/employment whereas many people who also are working as the executives might not find clients if they work on their own and in doing so, they will also need to spend a much more amount of money which they don't need to do here. Secondly, according to a survey, almost 85% of the workers working in the gig economy are satisfied with the flexibility of work timings [24] as they have the option to work whenever they want.

Now, there could be certain ways through which we can improve the status of the workers in the gig economy as Prof. K. V. Ramaswamy suggests that there should be ***consideration of labour rights for gig workers*** too which will include ***stipulation of minimum earnings per day, health and accident insurance, provident fund contributions***, etc.; many of which has been put forward in the new labour codes. Further, he added that the governments need to ***set up institutional mechanisms like labour court systems***, etc. where the grievance redressal of all types of workers could be done [25]. Fortunately, as we have discussed, the government has looked into these sorts of concerns and has brought Labour Codes in 2020. However, these codes are still not implemented and it still remains to be seen when it will be implemented. These regulations mandate the governments (Centre and State) and the companies to take care of most of the issues faced by the workers of the gig economy.

But apart from the companies and government, we as customers can also do a few things which will certainly help in improving the status of the workers in the gig economy. Firstly, we can ***give them tips***, whenever possible. Secondly, we can ***give them a high rating*** rather than ignoring the rating thing when we are satisfied with them. Even if we are not satisfied with the worker and want to give a poor rating, ***we must explain the poor rating*** and why we are not satisfied with him so that the companies can explain to him about the situation. In any other case, it is very difficult to say that the status of gig workers would be improved in near future unless we take steps as a whole and the government implements the new labour codes.

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