

Shaping the Future of Work:

How Digital Platforms are
Creating Sustainable Opportunities
in the Gig Economy

September 2024



Uber



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1. Foreword

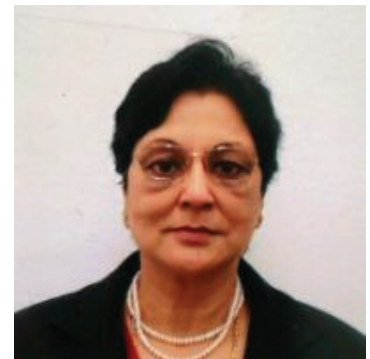
As per estimates by the World Bank, the gig economy accounts for up to 12% of the global labor market and holds particular promise for women and youth in developing countries.

According to Niti Aayog, work force engaged in the gig economy is expected to **“expand to 23.5 million workers by 2029-30.”**

The gig economy shaped by digital platforms has the uniqueness of on-demand work which offers flexible work environment and umpteen opportunities for both workers and businesses, and also holds immense potential for economic empowerment and inclusive growth.

Issues such as social security benefits and financial inclusion demand innovative solutions and collaborative efforts between platforms, governments and industry stakeholders. By embracing the gig economy transformative potential and leveraging innovative regulatory frameworks, India and other nations can chart a path towards a more resilient, inclusive and sustainable future of work.

The AMCHAM-Uber report on **Shaping the Future of Work: How Digital Platforms are Creating Sustainable Opportunities in the Gig Economy** highlights the emerging future of work scenario in the gig economy through digital platforms and imperatives required to provide a policy and regulatory framework for its sustained growth that safeguards the fundamental rights of gig workers.



Ranjana Khanna
Director General CEO
AMCHAM India





2. Executive Summary

In the dynamic landscape of contemporary labour and commerce, the gig economy has emerged as a transformative force, reshaping traditional employment structures and unlocking new avenues of economic participation. Defined by its emphasis on short-term, flexible engagements and facilitated by digital platforms, the gig economy represents a dynamic ecosystem where individuals can leverage their skills and resources to access diverse opportunities.

India stands at the forefront of the gig economy's expansion, driven by factors such as rapid urbanisation, a burgeoning digital infrastructure, and a vibrant entrepreneurial spirit. The gig economy serves as a catalyst for economic empowerment and inclusive growth, democratising access to work across sectors ranging from transportation and hospitality to retail and creative services¹. The pivotal report by Niti Aayog highlights the exponential growth trajectory, estimating a surge in gig workers from **7.7 million in 2020-21 to a projected 23.5 million by 2029-30**, underscoring the transformative impact of gig work on India's non-agricultural labour force².

Globally, the gig economy has experienced unprecedented growth, with as many as ~300 million people across the world engaging in some form of independent work. Digital labour platforms have democratised access to talent and opportunities, transcending traditional hiring processes and geographic limitations. The gig economy embodies a vision of innovation and opportunity, enabling businesses to tap into a worldwide talent pool and fostering economic dynamism across diverse sectors.

At the heart of the gig economy lies flexibility and autonomy, offering gig workers unprecedented control over their work-life balance. Platforms like Uber empower workers to dictate their schedules, locations, and working hours, transcending traditional employment paradigms and unlocking new realms of opportunity. Research underscores the monetary value of flexibility, particularly for women, younger individuals, and people of colour, highlighting platforms' role in fostering inclusive and empowering work environments³.

Challenges and Opportunities: Charting a Path Forward

While the gig economy offers immense potential for economic empowerment and inclusive growth, it also presents challenges that necessitate thoughtful consideration and proactive engagement. Issues such as social security benefits and financial inclusion demand innovative solutions and collaborative efforts between platforms, governments, and industry stakeholders. By embracing the gig economy's transformative potential and leveraging innovative regulatory frameworks, India and other nations can chart a path towards a more resilient, inclusive, and sustainable future of work.

In order to strengthen platform work, we recommend the following pathways:

1. Notification of the Code on Social Security, 2020

To enhance platform work, it is crucial to implement the Code on Social Security. This comprehensive legal framework aims to extend social protection benefits to platform workers. By formalising social protection measures, including health insurance, pensions, and maternity benefits, the Code on Social Security will provide a safety net for platform workers, promoting financial stability and long-term well-being.

2. Understanding the cost of social security prior to designing social security programs

A bottoms-up approach to designing social security programs is crucial to ensure effectiveness and sustainability. This method involves comprehensively understanding the needs and costs associated with social security from the ground level before developing financial mechanisms. By engaging with

¹ McKinsey & Company. "What is the Gig Economy?" McKinsey Explainers, June 2023. <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-the-gig-economy>.

² NITI Aayog. (2022). India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work. Retrieved from NITI Aayog website.

³ Chen et al. (2020). Suppliers and Demanders of Flexibility: The Demographics of Gig Work. Retrieved from https://conference.nber.org/conf_papers/f133011.pdf

the actual needs of platform workers through detailed assessments and consultations, policymakers can create tailored solutions that address specific challenges. This approach ensures that social security programs are both practical and responsive, ultimately leading to more effective and equitable outcomes for all stakeholders involved.

3. Inclusion of Platform Work in Urban Livelihood Programs

Integrating platforms into urban livelihood programs can greatly benefit individuals seeking on-demand work. Recognizing platform work as a viable income source within these initiatives can create more inclusive work opportunities, providing flexible opportunities for a wide range of people. This integration ensures that those needing immediate, adaptable work options have access to sustainable and supportive pathways.

The Gig Economy Fact-Sheet

The gig economy in India is expected to grow at a compound annual growth rate (CAGR) of 17% to reach a gross volume of \$455 billion by 2024.

India is one of the largest markets for the gig economy, with over 15 million freelance workers, making it the second-largest in the world, behind the United States.

Various sectors contribute to the gig economy, including ride-sharing (Uber, Ola), food delivery (Swiggy, Zomato), household services (Urban Company), and freelance digital work (Upwork, Freelancer).

The freelance workforce includes a mix of low-skill, medium-skill, and high-skill workers, ranging from delivery drivers and personal service providers to software developers and content creators .

A significant proportion of gig workers in India are young, with 80% of gig workers being between the ages of 18 and 35 .

Women constitute about 20-25% of the gig workforce, with many engaged in part-time work to supplement household income.

Gig workers in India typically use these platforms to supplement their primary income. For many, gig work provides crucial financial support, especially during economic downturns.

According to a report by the Boston Consulting Group, around 8 million people in India are estimated to be engaged in gig work as their primary source of income.

The COVID-19 pandemic accelerated the growth of the gig economy, as many individuals turned to gig work for financial resilience amid job losses and reduced hours in traditional employment (Deloitte United States).

The Indian government is working on creating a supportive regulatory framework for gig workers. The Code on Social Security, 2020, includes provisions for the social security of gig and platform workers.

Many gig platforms are investing in skill development and training programs to improve the quality of services provided by gig workers. This includes training in areas like digital literacy, customer service, and specific job-related skills

3. Introduction

Platform work delivers enormous value to consumers, workers, and merchants.

The platform economy is responding to a diversity of consumer and business demand and this diversity is reflected in the work options it generates - from microtask completion done at a computer from the other side of the globe to goods delivery on a bike from the neighbourhood shop. Platform work is not a monolith. It is still new and continues to evolve.

In general, platform workers are involved in short-term, on-demand work that is facilitated digitally. Workers on these platforms are typically compensated on a task-by-task basis, with most being classified as self-employed or independent contractors. Platforms act as intermediaries between clients and service providers, earning their revenue through commissions. While the proportion of the working population engaged with platform work remains relatively small, millions of workers have joined these platforms worldwide over the past decade.

Globally, the gig economy has experienced exponential growth, propelled by technological advancements, shifting societal attitudes towards work, and evolving market demands⁴.

This trajectory reflects a fundamental reconfiguration of labour dynamics, where traditional nine-to-five paradigms are giving way to a more agile and decentralised mode of employment.

Within the Indian context, the proliferation of the gig economy has been particularly pronounced, fueled by a burgeoning population, rapid urbanisation, and a rapidly strengthening digital infrastructure. India stands as a vibrant hub of entrepreneurial activity and innovation, with the gig economy serving as a catalyst for economic empowerment and inclusive growth. Across sectors such as transportation, hospitality, retail, and creative services, the gig economy has democratised access to work, empowering millions to become entrepreneurs of their own labour. The report by the Niti Aayog in 2021 on India's booming gig economy estimates that in the 2020-21, 7.7 million workers were engaged in gig work. They constituted 2.6% of non-agricultural labour. The report projects gig work to expand to 23.5 million workers by 2029-30 with gig workers forming 6.7% of the non-agricultural workforce. India is also seeing an expansion in highly skilled work within the gig economy.

The dynamic nature of gig work makes it difficult to reliably identify the number of people engaged in gig work at any given point of time. The gig economy embodies this vision by enabling businesses to tap into a worldwide talent pool, breaking the barriers of traditional hiring processes and geographic limitations. However, there are several credible sources that look towards identifying gig workers - according to a report by the McKinsey Global Institute, as many as 162 million people in Europe and the United States engage in some form of independent work⁵. The report by the World Bank in 2023 estimates the number of people engaged with online gig work to be somewhere between 153 million to 435 million⁶.

The Evolution of the Gig Economy

To truly grasp the essence of the gig economy, it's essential to trace its origins and evolution. While the concept of gig work isn't novel, its recent explosion in scale and influence marks a significant departure from its historical roots.

Before the digital era, individuals often sought supplemental income through sporadic tasks or 'gigs' in fields like music, art, and writing. However, these endeavours remained on the fringes of the economy, lacking substantial impact. The turning point arrived with the internet's advent and the subsequent

⁴ Deloitte Insights. (2017). The evolution of work—seven new realities. Retrieved from Deloitte Insights

⁵ Independent work: Choice, necessity, and the gig economy, McKinsey Global Institute, 2017

⁶ Datta, Namita; Rong, Chen; Singh, Sunamika; Stinshoff, Clara; Iacobo, Nadina; Nigatu, Natnael Simachew; Nxumalo, Mpumelelo; Klimaviciute, Luka. 2023.

Working Without Borders: The Promise and Peril of Online Gig Work. © Washington, DC: World Bank. <http://hdl.handle.net/10986/40066> License: CC BY 3.0 IGO.

proliferation of digital gigs bridging job providers and seekers. The early 2000s saw the rise of online marketplaces such as eBay and Craigslist, enabling individuals to offer goods and services on a gig basis.

In 2005, dedicated freelancing gigs like Upwork (formerly Elance-oDesk) emerged, opening avenues for freelancers globally and democratising access to talent and opportunities. Uber's launch in 2009 marked another pivotal moment, introducing a gig-centric business model that inspired a wave of similar gigs across various sectors. The 2010s witnessed the gig economy maturing as more individuals embraced flexible work arrangements. Alongside, the landscape diversified beyond traditional freelance domains like writing and design, welcoming fields like consulting, programming, and healthcare.

Technology has been instrumental in this journey, breaking barriers to entry and facilitating seamless connections between gig workers and businesses. Innovations such as AI, blockchain, and the rise of remote work are poised to further reshape the gig economy's landscape. Today, the gig economy stands as a vital component of the global economic framework, offering businesses, especially small enterprises, the flexibility to scale and thrive in a competitive environment. The journey thus far has been remarkable, with an even more promising future ahead.

As we delve into the intricacies of the gig economy and its implications for the future of work, it becomes increasingly evident that this paradigm shift necessitates thoughtful consideration and proactive engagement. By embracing the potential of the gig economy and leveraging innovative regulatory frameworks, we can chart a path towards a more resilient, inclusive, and sustainable future of work in India and beyond.

This report aims to provide an introduction to the gig economy, exploring its growth drivers, benefits, challenges, and the future outlook. By examining case studies, worker demographics, and economic impacts, the report will offer insights into how the gig economy can be optimised to benefit workers, businesses, and society at large.



4. Understanding Gig Work

What is gig work?

Non-standard or gig work refers to income-generating activities conducted outside of traditional, long-term employer-employee relationships. In September 2020, the Indian government passed a legislation to become the first country in the world to define “gig workers” in law. Gig work was defined as work done outside the traditional employee - employer relationship.

Approaches to defining gig work:

Different definitions of gig work often stem from the unique socioeconomic and legal context of a country. Here are three common approaches:

1. Location-Based Gig Work:














These jobs involve digital platforms assigning tasks that need to be performed at a specific physical location. Examples include ridesharing (like those offered by Uber, Ola), delivery services (Zomato, Swiggy), domestic care (Urban Company), and various home services.

2. Online Gig Work:

This category encompasses tasks that are performed and delivered online. Online gig work can be further divided into two subtypes:

- i. **Online Freelancing:** Typically involves more extensive projects that require specialised skills and take longer to complete. Examples include software development, graphic design, and digital marketing. These tasks usually target intermediate to highly skilled workers.
- ii. **Microwork:** Consists of small, simple tasks that can be completed quickly, often in seconds or minutes. These tasks include image tagging, text transcription, and data entry. Microwork is accessible to individuals with basic literacy and numeracy skills and offers a low barrier to entry, making it a viable option for those who are unemployed or underemployed and lack specialised skills.

Each type of gig work offers unique opportunities and caters to different skill levels and job requirements, providing a broad spectrum of employment options in the digital economy.

Sector	Description	Sub-Sectors Included	Example Platform
Asset-Sharing Services	Digital platforms that facilitate short-term P2P rentals of one owner’s (or “freelancer”) property to another individual	Home-sharing, car-sharing, boat-sharing, parking space-sharing, P2P equipment sharing	  
Transportation-Based Services	Digital platforms that require a freelance driver to complete the requested transport service	Ride-sharing, carpooling, restaurant delivery, and goods delivery	   
Professional Services	Digital platforms that connect freelancers directly with businesses to complete projects	Business work, microwork, design, tech/coding, writing/translation, administrative	  
Handmade Goods, Household & Miscellaneous Services (HGHM)	Digital platforms for freelancers to sell homemade crafts or offer on-demand services for household-related tasks	Home-services, babysitting, handmade crafts, tutoring, pet services, and misc. (D), events, etc.)	  

In India, it is commonly believed that location-based gig work is the only type of gig work. However, the gig economy has expanded far beyond only location tethered work. The number of freelance and gig workers continues to rise steadily. According to Upwork's Freelance Forward report, 39% of the American workforce engaged in some form of freelance work in 2022, a three percentage point increase from 2021.

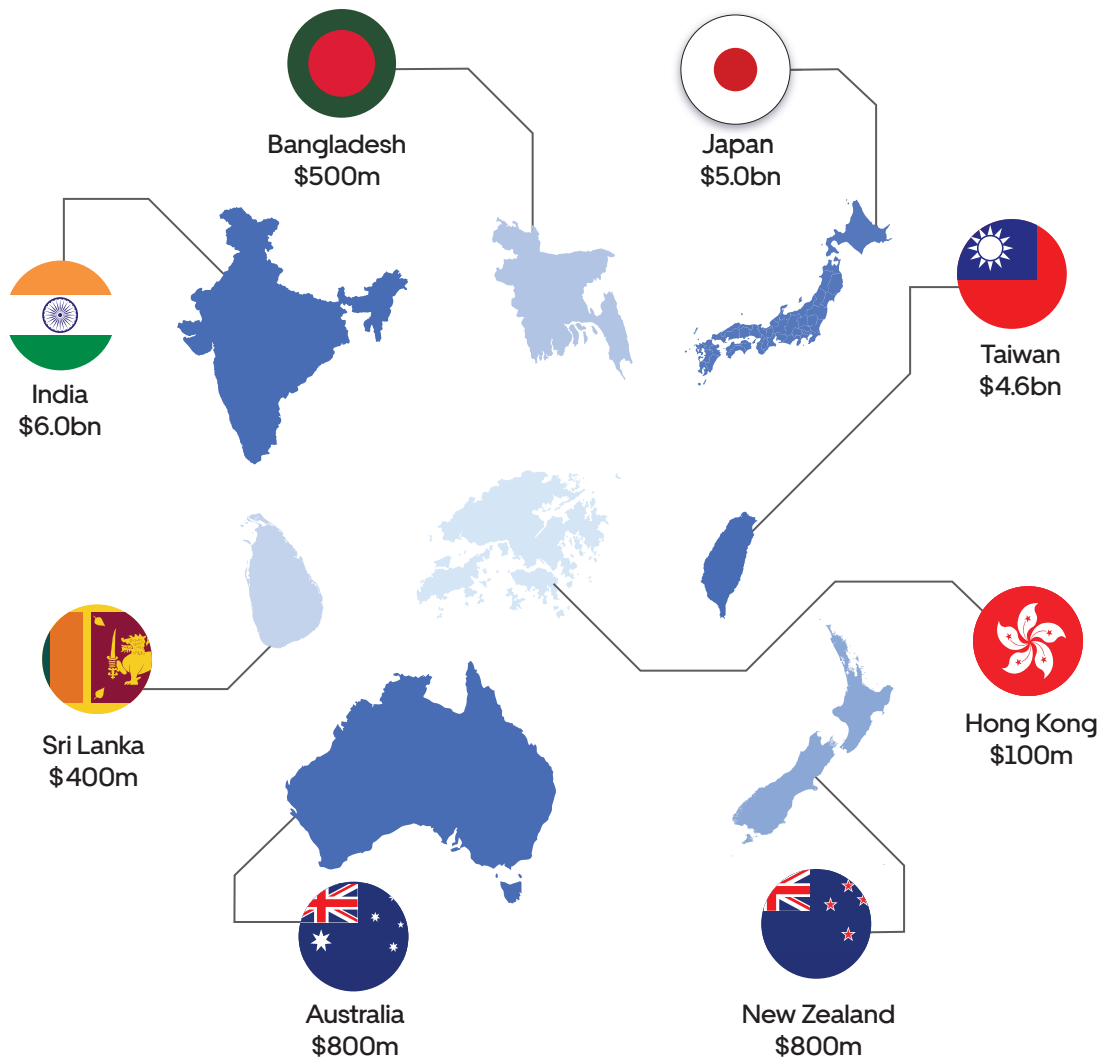
This growing gig workforce is having a substantial economic impact.

Freelancers contributed \$1.35 trillion to the U.S. economy in 2022, which is a \$50 billion increase compared to 2021, according to the Freelance Forward report. India too, with a substantially large highly skilled workforce can see benefits from online gig work.

The gig economy has the potential to service up to 90 million jobs in India's non-farm economy alone, transact over USD 250 billion in volume of work, and contribute an incremental 1.25 percent (approximately) to India's GDP over the long term." and "the gig economy could create approximately one million net new jobs over the next two to three years by aligning near-term incentives of employers and workers. In the long term, the full potential of the gig economy (i.e., up to 90 million jobs), will require evolution in industry hiring practices and growing familiarity with and optimization of gig-based service

From the BCG report on Unlocking the Potential of the Gig Economy in India

In 2021, Uber's Economic Impact Report showed that it had unlocked an economic value of nearly \$6Bn in India through its platform⁷. The economic value derived from the operation of a single platform is as illustrated below:



⁷ Uber, Economic Impact Report, 2021, Retrieved from: <https://uberapac.publicfirst.co.uk/>

5. Demographics of Gig Workers

The gig economy in India has rapidly expanded, attracting a diverse range of workers from various demographic backgrounds. This section explores the key demographic characteristics of gig workers in India, including age, gender, education, and regional distribution.

Gig workers in India span a wide age range, with a significant concentration of younger individuals. According to a report by the Boston Consulting Group (BCG) and Michael & Susan Dell Foundation, the majority of gig workers in India are under 40 years old. This trend is particularly evident in urban areas where technology adoption is higher and younger populations are more open to flexible work arrangements. The report highlights that approximately 80% of gig workers are between the ages of 18 and 35, indicating a youthful workforce that is leveraging gig opportunities to either supplement their income or as a primary source of earnings.

The gig economy in India has also seen substantial participation from women, particularly in certain sectors such as food delivery and home-based services. While traditional employment sectors often exhibit gender disparities, the gig economy provides a more flexible environment that appeals to women, especially those balancing household responsibilities. However, the proportion of female gig workers remains lower than their male counterparts. According to a report by the Observer Research Foundation, women constitute about 20-25% of the total gig workforce in India, with many women engaged in part-time gig work to supplement household income.

Education levels among gig workers in India vary widely, reflecting the diverse nature of gig opportunities available. Many gig workers possess at least a high school education, with a significant number holding college degrees. For instance, platforms such as UrbanClap (now Urban Company) attract skilled professionals like plumbers, electricians, and beauty service providers who often have vocational training or formal education in their respective fields. Additionally, platforms offering freelance digital work, such as Upwork and Freelancer, often see participation from individuals with higher education levels, including graduates and postgraduates.

The distribution of gig workers across India shows a higher concentration in urban and metropolitan areas. Cities like Bangalore, Delhi, Mumbai, and Hyderabad are hotspots for gig work due to the high demand for services, better internet connectivity, and greater acceptance of digital platforms. Rural areas, while also seeing some gig work activity, generally have fewer opportunities due to lower technological penetration and demand. However, initiatives aimed at improving digital infrastructure in rural areas are gradually expanding gig work opportunities beyond urban centres .

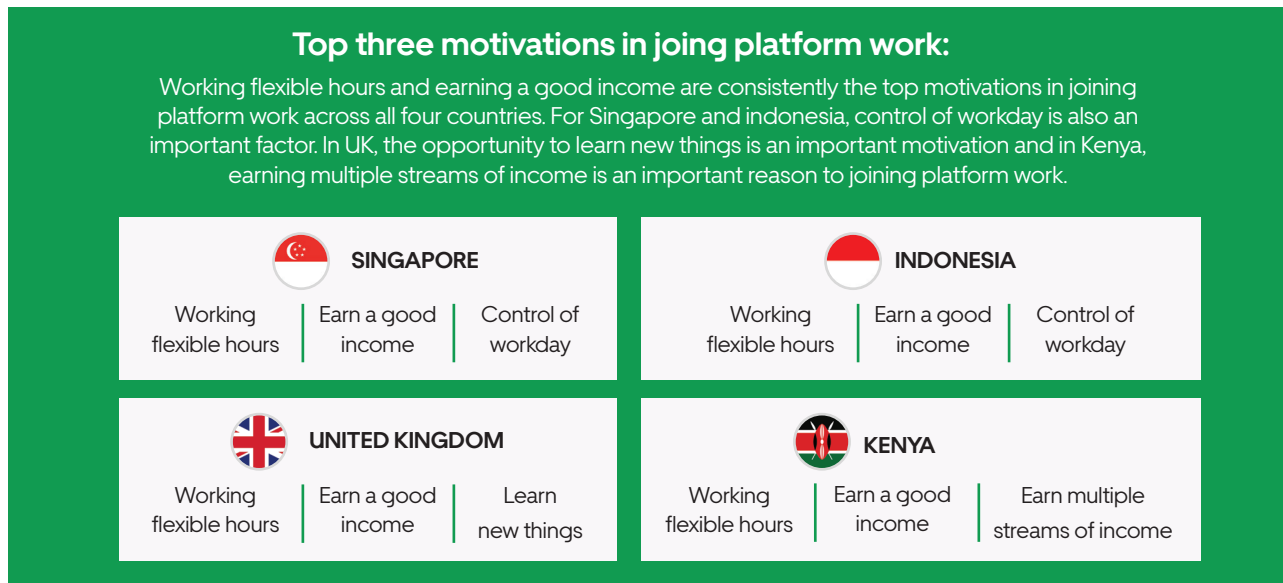
Gig workers in India come from varied socio-economic backgrounds. A significant number of gig workers use these platforms to achieve economic security and supplement their primary income. For instance, many drivers and delivery personnel work on platforms like Uber, Ola, and Swiggy to enhance their earnings. Additionally, gig work provides a crucial source of income for those who may not fit into traditional employment models, such as individuals with caregiving responsibilities or those seeking flexible work hours .

The demographics of gig workers in India highlight the inclusivity and flexibility of the gig economy, drawing individuals from diverse age groups, genders, educational backgrounds, and regions. As the gig economy continues to grow, understanding these demographic trends is essential for developing policies and platforms that support the needs and aspirations of gig workers across the country.

6. Principles of Gig Work

6.1. Flexibility: The Freedom to Choose If, When, Where, and How to Work

Flexibility is one of the most significant advantages of platform work, allowing individuals to tailor their work schedules according to their personal needs and preferences. This aspect is particularly beneficial for those who cannot commit to traditional 9-to-5 jobs due to various reasons such as caregiving responsibilities, education, or other personal commitments. A study⁸ carried out by the Tony Blair Institute for Global Change which looked into the motivations for gig workers to join platforms across four countries found flexibility to be one of the main reasons to join gig work. Their findings are as seen below:



From Uber's 2021 India Economic Impact Report, we see that drivers join the Uber platform mainly because of the flexibility and the earning opportunities it offers.

In view of the above, the principle of flexibility must encompass the below:

Flexibility of my work schedule
Uber is the best platform to earn money for a driver partner
Uber's flexibility makes it easier to balance family and work
Uber is the best platform for income
I am my own boss
Part-time income and flexible income
The Uber platform is one of the best for convenience and flexibility. I am happy with it.

a. Choosing Work Hours: Workers should have the autonomy to decide when they want to work. This means no mandatory shifts or minimum working hours, enabling them to balance their work with other life aspects. For instance, ride-sharing platforms like Uber and Ola allow drivers to log in and out of the app as they please, providing unparalleled control over their working hours.

b. Selecting Work Locations: Workers should also be able to choose where they want to work, whether it's within their locality or in different regions. This flexibility is crucial for those who may need to travel or prefer working in certain areas due to personal preferences or demand fluctuations.

c. Determining Work Methods: Flexibility extends to how workers complete their tasks. For example, freelance graphic designers or writers can decide their creative process, deadlines, and the tools they use, which fosters innovation and job satisfaction.

By ensuring flexibility, platform work can attract a diverse workforce, including students, homemakers, and retirees, contributing to economic inclusivity and personal empowerment.

⁸ Tony Blair Institute for Global Change. Future of Gig Economy, Understanding Good Gig Work through DLPs Insights Report

6.2. Earnings: Fair and Transparent Earning Opportunities

Earnings from platform work should be fair, transparent, and reflective of the effort and skills involved. This ensures that workers are adequately compensated and can rely on platform work for their financial stability.

- a. Fair Compensation:** Payment structures should be designed to provide fair compensation for the time and effort workers invest.
- b. Transparent Payment Systems:** Platforms should have clear and transparent payment systems that detail how earnings are calculated.
- c. Timely Payments:** Ensuring that workers receive their payments promptly is crucial for their financial stability. Delays in payments can lead to financial strain, particularly for those who rely on platform work as their primary income source.

In 2023, Uber launched an initiative that provided greater transparency to drivers regarding commission rate charged by Uber for use of its platform. This contributed significantly to facilitating a fair and transparent payment mechanism.

The total amount collected by Uber for your trips from 6 Nov - 4 Dec was 15.6% of the total rider fare (excluding tips. Tap to see weekly breakdown at drivers.uber.com).

6.3. Benefits and Protections: Access to Social Protections and Benefits that Fit the Work

Provision of benefits and protections is essential to enabling good platform work. Industry and the government can play a major role in facilitating this. Addressing social security is crucial for their wellbeing and financial security.

- a. Health Insurance:** Access to health insurance is a fundamental need for all workers. Platforms can facilitate enrollments of gig workers into existing government programs.
- b. Retirement Plans:** Offering retirement savings plans can help gig workers prepare for the future.
- c. Workplace Protections:** Ensuring safe working conditions is paramount. This includes providing safety training, necessary equipment, and support in case of accidents. For example, provision of accident insurance would significantly help platform gig workers.

Category of Digital Platform	Social Protection Benefits/Initiatives				
	Accident Cover (including disability, and death)	Health and Medical Support	Term Life Cover	Old Age Protection	Education Support for Children
Passenger Mobility	✓	✓			✓
Hyperlocal Delivery	✓	✓			✓
Home Services	✓	✓	✓		✓
E-commerce	✓	✓	✓		✓

Source: Social Protection in India's Platform Economy: Unpacking Supply Dynamics, Page 32, OMI Foundation, 2023

By integrating benefits and protections into their operational models, platforms can enhance the attractiveness and sustainability of gig work.

6.4. Voice: Meaningful Representation, with Demonstrable Action on Feedback

Empowering gig workers by giving them a voice in the decision-making processes that affect their work conditions is crucial for creating a fair and responsive platform ecosystem.

- a. **Worker Representation:** Platforms should establish channels for worker representation, such as advisory councils or worker committees, allowing workers to express their concerns and suggestions.
- b. **Regular Surveys and Feedback Mechanisms:** Conducting regular surveys and providing easy-to-use feedback mechanisms can help platforms understand worker needs and challenges.

In 2022, Uber launched India's first Driver Advisory Council (DAC) along with Aapti Institute. The Council provides gig workers a space to discuss issues that impact them and engage in dialogue with the platform. As per an internal survey of 80,000 driver partners by Uber, 85% of the respondents believed that the changes brought through from DAC had a positive impact on their driving experience and 92% drivers wanted the Advisory Council to continue.

Since the DAC has been instituted, we have got access to a platform through which we can raise our concerns, and from that perspective, 100% of our expectations have been met. There is definitely a need for a forum like this, where partners can bring up issues they are facing in terms of earnings, social security and app experience. However, the DAC is still at a nascent stage, and we need to interact more frequently with Uber to ensure they get a complete understanding of the problems we face on a daily basis. Implementation of suggested changes from Uber's side has been a gradual process, and there needs to be further discussion on how these can be fast tracked.

Anand is from Bangalore. He has been driving with Uber for 6 years and has completed 17000 trips.



I have been driving with multiple ride-hail platforms over the last few years, and based on my experience, the per kilometre pay rates offered on Uber have fluctuated widely. The DAC provided me with an opportunity to raise such concerns directly with Uber, and that is important as a medium such as this one did not exist before. Further, I think the speed of resolution of action points could be improved. I believe that the DAC should continue over the years and grow in power.

Loordhu is from Chennai. He has been driving with Uber for 6 years

6.5. Growth: Lifelong Learning and Development Opportunities

Providing opportunities for lifelong learning and professional development can help gig workers enhance their skills and advance their careers.

- a. **Skill Development Programs:** Platforms can offer training programs to help workers acquire new skills relevant to their work. For example, an online course on digital marketing for freelance writers or customer service training for delivery drivers.
- b. **Career Advancement Opportunities:** Platforms should provide clear pathways for career advancement, whether within the platform or in related fields. This can include mentorship programs, advanced training, or partnerships with educational institutions.
- c. **Recognition and Rewards:** Acknowledging and rewarding workers' efforts and achievements can motivate them to continue improving. Platforms can implement recognition programs that highlight top performers and offer incentives for professional growth.

By investing in the growth and development of their workers, platforms can enhance productivity, job satisfaction, and worker loyalty

7. A Headline Concern: Social Security for Gig Workers

There is no doubt that platforms have played a central role in creating work opportunities for millions across geographies. The platform economy has tremendous potential to unlock jobs in the millions while leveraging technology and innovation to drive social and financial inclusion. This is true around the world. In some parts of the world, the platform economy is found to serve as an income supplement and as insurance against income volatility.

A pressing concern that has emerged especially in the post COVID period has been the issue of a social security cover for gig workers even as platforms themselves have taken the onus of providing some degree of benefits and protections to gig workers.

Platforms across various sectors, including passenger mobility, hyperlocal delivery, home services, and e-commerce, offer a range of social security benefits to their workers, albeit with some variations⁹.

- **Accident and Health Coverage:** Platforms universally provide accident cover, including disability and death benefits. Passenger mobility platforms offer accident insurance coverage up to INR 500,000 (INR 5 lakh), while hyperlocal delivery platforms provide coverage ranging between INR 300,000 (INR 3 lakh) and INR 1,000,000 (INR 10 lakh). Health and medical support, such as telemedicine and OPD services, are also commonly offered, with some platforms extending these benefits to workers' spouses and children.
- **Life Insurance:** Workers in the home services and e-commerce sectors receive term life cover up to INR 600,000 (INR 6 lakh), particularly for high-performing individuals.
- **Financial Inclusion and Credit Access:** Passenger mobility and home services platforms facilitate access to credit through cash flow-based lending and partnerships with fintech companies and formal lenders, enhancing financial inclusion for their workers.
- **Support for women in Hyperlocal Delivery:** These platforms distinguish themselves by implementing measures to increase women's workforce participation, including providing paid menstrual leave and maternity cover.
- **Government Social Security Schemes:** All platforms assist workers in accessing government-run social security schemes. However, eligibility can be limited by factors such as wage ceilings or vehicle ownership requirements.
- **Professional Growth and Skilling Programs:** Platforms are investing in the professional development of their workers through various skilling and upskilling programs. These initiatives include education support for workers' children and courses designed to enhance both technical and soft skills, thus preparing workers for future opportunities and improving their competitiveness in the digital economy.

Social security schemes for platform workers are primarily funded by the platform businesses themselves, with limited contributions from workers. While health coverage is sometimes provided, the rising cost of healthcare outpaces inflation, making insurance increasingly expensive. Notably, old age pensions are largely absent, given the transient nature of platform work, which hampers the accumulation of long-term savings. Additionally, there is a low demand for social security among workers, who often prioritise higher immediate income over future benefits.

⁹ OMI, 2024. Social Protection in India's Platform Economy: Unpacking Supply Dynamics, OMI Foundation, <https://olawebcdn.com/ola-institute/social-protection-in-india-platform-economy.pdf>

7.1. Designing social security for gig workers

Any discussion on the provision of social security for gig workers would be remiss without taking into account the landmark Code on Social Security [CoSS] passed by the Parliament of India in 2020. CoSS sets India apart as one of the first countries to establish new nationwide social security benefits and protections for gig and platform workers. The law recognises that all workers – and not just those classified as employees – deserve to have a basic safety net, providing Indian gig workers benefits such as life, disability and accident insurance; health and maternity benefits; as well as old-age protection.

When designing social security legislations or programs for platform gig workers, it is important to:

- **Avoid Dual Levies and Ensure Alignment with CoSS:** The government's intent to provide social security to gig workers is commendable; however, there are concerns about potential dual levies on aggregator companies. It is crucial to streamline and efficiently implement social security measures in alignment with the existing Code on Social Security (CoSS) framework. Given that labour is a concurrent subject, both state and national laws would operate concurrently. This could lead to significant burdens on platforms and negatively impact the ease of doing business. Therefore, a cohesive approach that avoids overlapping regulations is essential.
- **Nuanced Approach to financial contributions:** Different aggregator business models present complexities in cess collection, necessitating a nuanced approach. There must be parity in cess amounts, considering the varying structures and revenue recognition methods of two-sided and three-sided marketplaces. For instance, two-sided platforms such as Uber and Ola, which act as intermediaries between service providers and customers, should have the cess calculated on the entire transaction value. In contrast, three-sided platforms like Amazon and Zomato, which coordinate multiple services, should have the cess calculated on the delivery fee paid to the gig worker. This distinction ensures fair treatment across different platform types and avoids disproportionate financial burdens. Further, in order to ensure a level playing field, the law currently being designed should not just be for existing platform models but emerging models enabled through ONDC. The Government must ensure that gig workers offering their services through digital platform collectives must be covered and the digital collective be held accountable for the contributions under the legislation.
- **Portability of Benefits:** Social security benefits must be portable across different platforms and sectors. Gig workers often switch between various platforms and types of work; thus, their accumulated benefits should not be tied to a single employer or platform. Ensuring portability would provide continuity and security for workers as they navigate the gig economy, allowing them to retain access to their earned benefits regardless of changes in their work situation. This approach would enhance the overall stability and attractiveness of gig work.
- **Existing Compliance Costs:** Current compliance costs for ride-sharing aggregators, particularly in terms of insurance obligations under the Central Motor Vehicle Aggregator Guidelines, 2020, are already substantial. To prevent financial strain due to overlapping laws, these obligations should be reconsidered. Unlike other platforms, ride-sharing services are heavily regulated, with capped commissions and fares impacting their revenues. Additional compliance burdens could severely affect these platforms. Therefore, excluding certain obligations from the motor vehicle aggregator guidelines is recommended to ensure financial viability and continued service provision in the ride-sharing sector.

This new system should extend beyond traditional benefits like health and life insurance or pensions, to include access to credit, skill development, and dignified livelihood opportunities, tailored to the platform economy's characteristics.





Uber