



## Gig Economy

**Delhi has emerged as the top destination** for migrant workers joining India's tech-enabled gig economy, pushing startup capital Bengaluru to a distant second spot.

- A gig economy is a **free market system** in which temporary positions are common and organizations contract with independent workers for **short-term engagements**.
- An **estimated 56% of new employment in India** is being generated by the gig economy companies across both the blue-collar and white-collar workforce. **Few reasons** for this exponential growth are:
  - In the digital age, the **worker need not sit at a fixed location**—the job can be done from anywhere, so employers can select the best talent available for a project without being bound by geography.
  - The millennial generation seems to have quite a different attitude to careers. They seek to do work that they want to do rather than have careers that may not satisfy their inner urges.
  - This suits businesses as well. In a gig economy, they save resources in terms of benefits like provident fund, paid leave and office space.
  - Heightened migration and readily available job training.

## Challenges

- The gig economy thrives **largely unregulated**, therefore workers have **little job security and few benefits**.
  - However, few argue that the gig economy in India with respect to workers not getting any social security, insurance, etc. is an **extension of India's informal labour**, which has been prevalent for a long time and has remained unregulated.
  - With the tech companies coming in, there is data available, making it a **possibility to enable job security**.
- A worker need to **be skilled enough**. Unless a person is extremely talented, his bargaining power will necessarily be limited.
- While companies routinely invest in training employees, a gig-economy workers will have to **upgrade his skills** on his own at his own cost.
- There are already many more potential online independent workers than jobs, and this **demand-supply mismatch** will only get worse over time, depressing wages.

## Way Forward

- There is a need for the government to step in and implement radical changes in labour laws or implement tax rebates and concessions that can be passed on directly to drivers or delivery partners as health or insurance benefits.
  - However, some experts say that this would directly affect prices of service delivered to the end customer.
- With a population of over 1.2 billion, and a majority of them below the age of 35, relying on the "gig economy" is perhaps the only way to create employment for a large semi-skilled and unskilled workforce. Therefore, It is important to hand-hold this sector and help it grow. We need policies and processes that give clarity to the way the sector should function.

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