



Protecting Platform Workers

This editorial is based on [“Protecting platform workers”](#) which was published in the Hindu BusinessLine on 24/02/2023. It discusses the Issues with Platform workers and what can be done to address the issue.

For Prelims: Gig Economy in India, Gig Worker, G20, Social security, Labour Rights

For Mains: Growth Drivers of the Gig Economy in India, Issues Associated with the Gig Economy in India, Social Security Blanket for Gig Workers.

There have been **significant changes in the world of work due to technological innovations and digital platforms**, including the rise of [gig workers](#). The gig workforce is expected to expand to 2.35 crore workers by 2029-30.

The Indian G-20 presidency would **do well to foster greater international coordination and cooperation on the portability of benefits** (those connected to an individual, rather than an employer and can be carried from one job to another, without interruption), **thereby safeguarding worker wellbeing for platform work done across borders.**

Therefore, the decision of [India's G20 presidency](#) to identify **‘Gig and Platform Economy and Social Protection’** as a priority area for consideration is pertinent. Indisputably, the platform economy generates new avenues of employment. However, it also has potentially disruptive effects on labour markets.

Note

- Broadly, the platform economy operates through two **business models, ‘Crowdwork’ and ‘Work-on-demand via apps’**.
 - Crowdworkers operate online through platforms that connect vast numbers of clients, organisations, and businesses across borders.
 - On the other hand, ‘work-on demand via apps’ refers to place-based and geographically limited work, facilitated by platforms.

What are the Issues faced by the Platforms Workers?

- **Classification as Employees:**
 - One of the main issues faced by platform workers is that they are **often classified as independent contractors instead of employees**. As a result, they are not entitled to

certain benefits, such as minimum wage, overtime pay, and workers' compensation.

- **Accessibility Issues:**
 - Even though the **gig economy, with the wide variety of employment options it offers, is accessible to all those who are willing to engage in such employment**, access to internet services and digital technology can be a restrictive factor.
 - This has made the gig economy largely an urban phenomenon.
- **Occupational Safety and Health Risks:**
 - Workers engaged in employment with the digital platforms, particularly, women workers in the app-based taxi and delivery sectors, face various occupational safety and health risks.
- **Low Wages:**
 - Many platform workers in India **earn low wages, often less than the minimum wage**. This is partly due to the fact that platform companies compete on price and there is a large pool of workers willing to accept low-paying jobs.
- **Long Working Hours:**
 - Platform workers often have to **work long hours to make enough money to support themselves and their families**. This can lead to fatigue and burnout.
- **Lack of Social Protections:**
 - Platform workers are **not entitled to social security benefits such as pensions or insurance**. This puts them at risk in case of accidents or illnesses.
- **Lack of Bargaining Power:**
 - Platform workers usually work alone and don't have the bargaining power that comes with being part of a union or collective bargaining agreement. This means that they can't negotiate for better pay or working conditions.
- **Discrimination:**
 - Some platform companies have been **accused of discriminating against certain groups of workers**, such as women or workers from lower castes.
 - Dalit gig workers, who belong to the lowest caste, face discrimination in terms of limited work opportunities, low wages, and social exclusion.
 - Some customers may refuse to use the services of Muslim delivery drivers or cancel their orders upon learning their religion.
- **Lack of Regulation:**
 - There is currently no regulatory framework for platform work in India. This means that platform companies can operate without adhering to labor laws or standards.

How can Platform Workers' Rights be Protected?

- **Creating a New Legal Category:**
 - A new legal category called **“independent workers,” can be created for those who occupy the gray area** between employees and independent contractors merits careful deliberation.
 - In some respects, independent workers are like independent businesses as they have the freedom to choose when and where to work as well as the choice to work with multiple intermediaries simultaneously.
 - However, they are similar to traditional workers too, as the intermediary retains some control over the way independent workers, such as by setting their fees or fee caps.
- **Extending Social Security Coverage:**
 - Gig economy technology can be used to extend social security coverage to platform workers.
 - **Most transactions on the gig economy are done via the internet** and can thus be tracked.
 - For instance, **Indonesia has introduced a digital mechanism to securitise digital platforms** commonly used for motorcycle taxi rides in the country.
 - When using the application, **a small amount of the tariff is automatically deducted for accident insurance** of both the driver and the passenger for the length of the trip.
- **Collective Bargaining:**
 - Platform workers **should be allowed to collectively bargain with the platform owners to negotiate better pay**, benefits, and working conditions. Collective bargaining can help platform workers to have more leverage in negotiations and ensure that their

voices are heard.

- **Access to Benefits:**
 - Platform workers **should have access to benefits such as health insurance, paid sick leave, and retirement plans.** This can be achieved through a combination of government regulations and private sector initiatives.
- **Fair Wages:**
 - Platform workers **should be paid fairly for the work they do.** Platforms should be required to disclose their payment structures and ensure that they are transparent and fair.
- **Protection against Discrimination:**
 - Platform workers **should be protected against discrimination based on their gender, race, ethnicity, religion, sexual orientation,** or disability. Platforms should have policies in place to prevent discrimination and provide a way for workers to report incidents of discrimination.
- **Right to Organize:**
 - Platform workers **should have the right to organize and form unions to protect their interests.** This can help them to negotiate better pay, benefits, and working conditions.
- **Regulation and Enforcement:**
 - Governments should **regulate the platform economy and enforce labor laws to protect platform workers' rights.** This can include monitoring platforms to ensure that they comply with labor laws and imposing penalties for violations.

Drishti Mains Question

What are the challenges and opportunities for gig workers in India's emerging gig economy, and what policy changes are needed to ensure their fair treatment and protection?

UPSC Civil Services Examination, Previous Year Question (PYQ)

Q. Examine the role of 'Gig Economy' in the process of empowerment of women in India. **(2021)**