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Perils of the Gig Economy

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The uncritical tone of the NITI Aayog's recent report on the gig economy in India and its belief that platformisation will create an inclusive working environment is, at best, credulous, and, at worst, a deliberate attempt to ignore the erosion of workers' rights, security, and welfare.

In August 2022, more than a hundred workers in Bengaluru working for online food ordering and delivery platform Swiggy [went on strike](#). Echoing central trade unions' demand for minimum wages, they wanted Swiggy to pay them a fixed salary of Rs. 26,000 a month. Similarly, in October 2021, around 50 [women spa and salon workers working for home services platform Urban Company protested](#) outside its headquarters in Gurugram against unfair terms and conditions.

These workers' protests and their demand for secure wages and improved terms and conditions were not unusual, as the history of labour rights movements around the world shows. But what was unusual was their adoption of conventional workers' tactics when they are anything but conventional workers. The platforms they work for, Swiggy and Urban Company, only recognise them as "partners", not as employees.

Given the expansion of gig and platform work in India, it is timely that NITI Aayog released a report entitled "[India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work](#)" in June 2022. It estimates the number of gig and platform workers, assesses the state of the gig and platform economy and its future, and offers policy recommendations.

The report uses the word "potential" 66 times and the word "growth" 93 times, accurately indicating the general upbeat tone adopted towards the gig and platform economy in popular discourse. In contrast, the words "protest", "strike", "unions", and "workers' associations" find no mention despite a significant and growing gig workers' movement, which has led to the emergence of new unions such as the [All India Gig Workers' Union](#), [Indian Federation of App Based Transport Workers](#), and the [Telangana Gig and Platform Workers' Union](#). We respond here to the report and highlight the real issues and workers' voices that need to be taken into account when formulating policies on the future of work.

Illusion of choice

The NITI Aayog report notes that there are now 6.8 million people working in the gig and platform economy and predicts that by 2030 this number will be 23.5 million. While still a relatively small proportion of the total workforce, the report indicates that the number of workers in the gig and platform economy will continue to rise in the near future. It attributes this partly to the general expansion of this sector and partly to people choosing to enter it, reiterating the narrative promoted by platforms that by working for them "[you are your own boss](#)".

Given that [conditions of work in the gig and platform economy are not exactly favourable to workers](#), an examination of push, rather than pull, factors is conspicuous by its absence in the report. As recent protests show, gig and platform workers commonly contend with low pay, precarity, insecurity, and safety and welfare concerns. Why are workers then "choosing" gig and platform work? As far as the demand for various types of work is concerned, despite three decades of privatisation, there are still [millions of applicants competing for a few thousand government jobs](#). It is not facetious to argue that workers choose to take up gig and platform work in part because of a lack of choice.

Other than the minority who can gain the stability of a government job or a regular corporate job, the majority of workers in the country are employed in the large informal economy. There is a link between the informal economy and the gig and platform economy. It is likely, as the report suggests, that informal workers equipped with mobile phones and an internet connection become a part of the gig and platform economy. But it is also apparent that while the gig and platform economy, which promises formalisation and professionalisation of labour, may differ from the informal economy in a number of ways, it also mirrors its piecemeal, low-paid, and insecure nature of work.

Digital technology and social inclusion

The NITI Aayog report is premised on the understanding that “platform work is fundamentally gender, race, caste and age agnostic”. It credits the [Digital India](#) programme for “increasing use of smartphones, the low cost of internet and other initiatives” and suggests that the mode of gig and platform work is “democratising” access to jobs. There are unsubstantiated claims throughout the report that gig and platform economy work has improved employment opportunities for women and people with disabilities (PwDs).

While the reach of smartphones and low-cost internet has spread over the last few years in India, there are still serious gaps in the reach of digital infrastructure, which unsurprisingly intersect with the historical and structural marginalisation of particular social groups. For example, research shows that [women are disproportionately sharers rather than owners of smartphones](#). This is reflected in the [low number of women in gig and platform economy work](#). As such, platform work enabled by digital technology is not agnostic—there is a built-in bias in favour of those who already have access to digital infrastructure. There is a general failure to recognise that without the development of digital infrastructure with a focus on the needs of marginalised populations, providing digital skills training will not necessarily lead to improved social inclusion.

Further, the inclusion of marginalised workers in the gig and platform economy is threatened by their dependence on the goodwill of customers to provide them with good “ratings”. Recently, a Swiggy customer in Hyderabad added a note to specify that he [did not want the delivery to be done by a “Muslim delivery person”](#), while in [Lucknow a customer spat at and beat up a Dalit Zomato delivery agent](#). The Telangana Gig and Platform Workers’ Union has rightly pointed out that while platforms routinely block workers for not meeting (often unrealistic) service expectations, it has not taken a similar stance with customers.

These are examples of overt discrimination, but it is also possible for customers to exercise control and management more subtly because the names of service providers, which can reveal their religion and caste, are made accessible to them before the delivery. Besides degrading the dignity of labour, digitalisation and platformisation can further erode social inclusion, especially if viewed uncritically as solutions in policy discussions.

Privatisation of training and welfare

The report suggests “platformisation of skilling”, arguing that “such a model allows partially skilled workers—be they drivers or plumbers or data-entry operators—to find work and simultaneously upskill themselves, in the process also gaining an income”. A question that arises is, do workers join platforms with the primary aim of skilling or earning? Rather than engaging with platforms for skill development while earning something in the process, workers primarily join platforms for income and learn skills as part of the job.

It is mistaken to argue that the transferable skills provided by platforms provide an “opportunity for horizontal mobility in the ecosystem”, suggesting that “a platform worker driving a taxi may double up as a delivery executive for the same or different platform, thus creating avenues for horizontal mobility and improving workers’ remunerative opportunities.” This phenomenon of “multi-apping” is less the result of transferable skills than workers’ attempt to earn at least a minimum wage, which is not possible by working only on one platform. Indeed, [Fairwork India Report \(2021\)](#) showed that workers’ take-home earnings declined in 2021.

Shifting the responsibility of enabling skill development and jobs from the state to private corporations points to a wider trend towards the privatisation of health, safety, and welfare. The report says that to improve financial inclusion, platforms could provide cash-flow based loans “catering to the needs of those new to credit”, extending the role of existing private micro-credit and micro-insurance companies such as Avail Finance, Kosh, and PerkFinance.

Similarly, rather than holding the government accountable for developing public facilities that create an enabling environment for workforce participation, the report proposes that “platforms could explore partnership with local hospitality businesses/petrol stations, etc. where women workers and PwDs can utilise accessible restrooms and lounges between work hours”. Depending on platform-led skilling, financing, and welfare for workers creates a system in which workers are vulnerable and entirely dependent on these platforms that do not even recognise them as employees, leaving little room for workers’ agency.

Conclusions

While the NITI Aayog report recognises the challenges of “long hours on the platforms, decreasing incentives and low earnings, and the reproduction of exploitative work practices and structural inequities”, it largely externalises these issues, placing them outside a supposedly agnostic gig economy. Since the basis of the report is antithetical to the approach required to resolve these challenges, it becomes a part of the problem. A critical conversation with the report provides us with a framework to analyse the broader challenges

for the gig and platform economy in India.

It states that “the purpose of this study is to view gig work, with a focus on its subset – platform work, through economic as well as worker perspectives”. However, while the economic perspective has been limited to the idea of job creation and support for businesses, workers’ perspectives are largely missing from the consultation process in India.

The characterisation of a gig worker in India as a new-age entrepreneur who is “working for fewer hours a day” and “preferring a flexible work schedule” is a meta-narrative that is oblivious to the lived reality of gig workers. The report assumes that with low entry barriers, the gig and platform sector will lead to an improvement in social inclusion, while completely ignoring the religion and caste-based discrimination that gig workers face, which has been highlighted by several gig workers’ unions.

There is an immediate need for appropriate state-led measures to provide social security benefits and protection to gig workers. Government regulation of platform companies is crucial to hold them accountable for violating the laws that are currently applicable for the protection of the rights of gig and platform workers in India. Considering this, the report’s insistence that platformisation will create an inclusive working environment through “income generation, gainful self-employment and new forms of social protection” is, at best, credulous, and, at worst, a deliberate attempt to rebrand the erosion of workers’ rights, security, and welfare. Most importantly, the uncritical and upbeat tone adopted by the report in suggesting policy measures for gig workers is an impediment to addressing the issues of accessibility, income security, and occupational risks for workers in “India’s booming gig and platform economy”.

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