



## Gig Workers

**For Prelims:** Gig Economy, Covid-19 pandemic, Code on Wages, 2019, Code on Social Security, 2020, Different Collar Jobs.

**For Mains:** Gig economy: meaning, uses, legislations, associated concerns and way forward.

### Why in News

The surge in demand for [gig workers](#), particularly in the shared services and logistics segments, in the aftermath of the [Covid-19 pandemic](#) led to mushrooming of job discovery platforms.

### Key Points

- **About Gig Economy:**
  - A gig economy is a **free market system** in which temporary positions are common and organisations contract with **independent workers for short-term engagements**.
  - According to a report by **Boston Consulting Group**, India's **gig workforce comprises 15 million** workers employed across industries such as software, shared services and professional services.
  - 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.

### Different Collar Jobs

- **Blue-Collar Worker:** It is a member of the working class, who performs **manual labour and earns an hourly wage**.
- **White-Collar Worker:** It is a **salaried professional**, typically referring to general office workers and management.
- **Gold-Collar Worker:** It is used to refer to **highly-skilled knowledge people** who are highly valuable to the company. Example: Lawyers, doctors, research scientists, etc.
- **Grey-Collar Worker:** It refers to the **balance of employed people** not classified as white or blue-collar.
  - Although grey-collar is something used to describe those who work beyond the age of retirement. **Example:** Firefighters, police officers, health care professionals, Security Guards, etc.
- **Green-Collar Worker:** It is a worker who is **employed in the environmental sectors** of the economy.
  - **Example:** People working in alternative energy sources like solar panels, Greenpeace, World Wide Fund for nature, etc.
- **Pink-Collar Worker:** It is employed in a job that is traditionally considered to be **women's work** and is often low-paid.
- **Scarlet-Collar Worker:** It is a term often used to refer to people who **work in the pornography industry**, especially women entrepreneurs in the field of internet pornography.
- **Red-Collar Worker:** Government workers of all types.

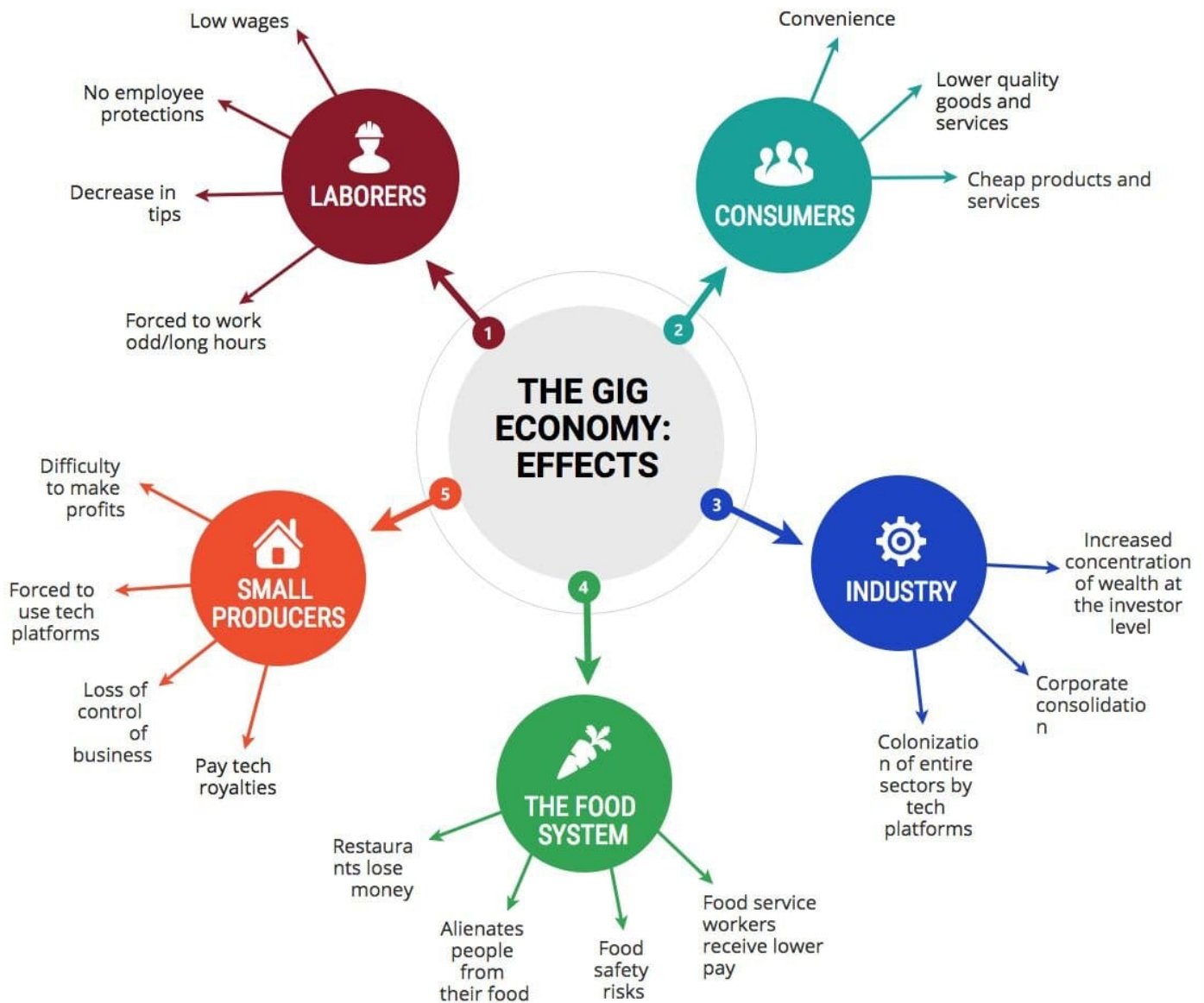
- **Open-Collar Worker:** It is a worker who works from home, especially via the internet.
- **Reasons Gig Economy's Exponential Growth:**
  - In the **digital age**, the worker need not sit at a fixed location—the job can be done from anywhere, so employers can select the best talent available for a 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.
  - **Heightened migration** and readily available job training.
- **Associated Challenges:**
  - **Unregulated Nature:** 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.
  - **Need for Skills:** A worker needs 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 worker will have to upgrade his skills on his own at his own cost.
  - **Demand-Supply Mismatch:** There are already many more potential online independent workers than jobs, and this demand-supply mismatch will only get worse over time, depressing wages.
- **Impact of Pandemic on Gig Economy:**
  - **Businesses got disrupted because of Covid-19** and these people were looking for an income source to sustain. This led to the pandemic-led boom in demand for gig workers.
    - For instance, in **August 2020**, Google announced the India launch of its **Kormo Jobs app** to connect job seekers with opportunities in industries like on-demand businesses, retail and hospitality.
  - However, as the number of gig workers has grown over the years, especially with consumer internet companies like Zomato, Swiggy, Uber, Ola, Urban Company, etc, the **workers have increasingly complained of a fall in their incomes.**
  - It has had two significant implications on the contractual labour ecosystem:
    - Firstly, it has **created new business models** to cater to the growing requirement for on-demand staffing.
    - Secondly, it has once again put the spotlight on the labour codes that recognise gig workers and provide for a **universal minimum wage.**

## Labour Code for Gig Economy

- **Existing Legislation:**
  - The [Code on Wages, 2019](#), provides for universal minimum wage and floor wage across organised and unorganised sectors, including gig workers.
  - The [Code on Social Security, 2020](#), recognises gig workers as a new occupational category.
    - It **defines a gig worker** as a person who performs work or participates in work arrangement and earns from such activities, outside of the traditional employer-employee relationship.
- **Associated Issues in the Security Code:**
  - **No Guarantee of Benefits:** In the Code on **Social Security bill , 2020**, platform workers are now eligible for benefits like [maternity benefits](#), life and [disability cover](#), [old age protection](#), provident fund, employment injury benefits, etc.
    - However, eligibility does not mean that the benefits are guaranteed.
    - None of the provisions secure benefits, which means that from time to time, the Central government can formulate welfare schemes that cover these aspects of personal and work security, but they are not guaranteed.
  - **No Fixed Responsibility:** The Code states the provision of basic welfare measures as a joint responsibility of the Central government, platform aggregators, and workers.

- However, it does not state which stakeholder is responsible for delivering what quantum of welfare.

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## Way Forward

- **Need For Clarity:** A categorical clarification could ensure that social security measures are provided to workers without compromising the touted qualities of platform work.
- **Joint Accountability:** There is a need for a socio-legal acknowledgement of the heterogeneity of work in the gig economy, and the ascription of joint accountability to the State and platform companies for the delivery of social services.
- **Concerted Efforts:** To mitigate operational breakdowns in providing welfare services, a tripartite effort by the State, companies, and workers to identify where workers fall on the spectrum of flexibility and dependence on platform companies is critical.

[Source: IE](#)

PDF Refernece URL: <https://www.drishtias.com/printpdf/gig-workers>