



# Rajasthan Platform-Based Gig Workers (Registration and Welfare) Bill, 2023

**For Prelims:** [Gig Economy](#), [Gig workers](#), [E-commerce](#), [Code on Social Security, 2020](#), [Labour Rights](#)

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

[Source: TH](#)

## Why in News?

The Rajasthan Assembly recently passed a significant Bill aimed at extending [social security](#) benefits to **gig workers**.

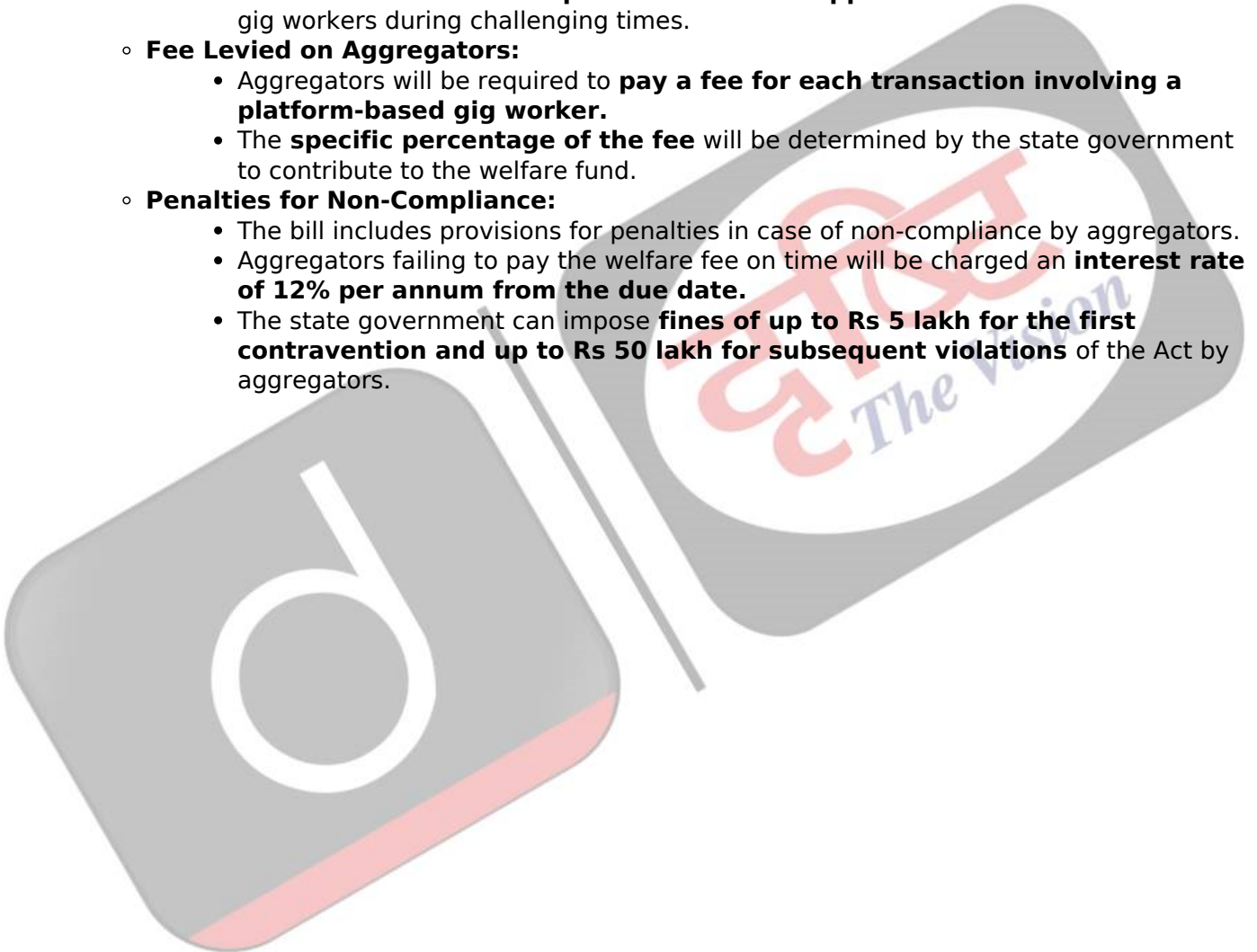
- This bill aims to address the **lack of protection and benefits for gig workers**, who were **previously classified as "partners"** rather than **employees** in companies like Ola, Uber, Swiggy, Zomato, and Amazon.
- Earlier, the [Code on Social Security, 2020](#) mandated **social security funds for gig workers**, including life, disability, health benefits, and more.

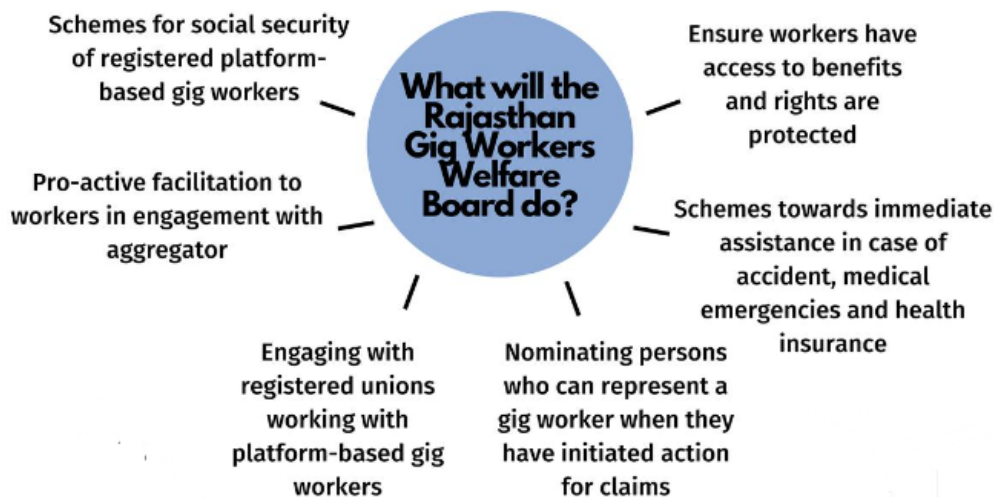
## What is the Rajasthan Platform-Based Gig Workers (Registration and Welfare) Bill, 2023?

- **About:**
  - The Rajasthan Platform-Based Gig Workers (Registration and Welfare) Bill acknowledges the **significant contributions of gig workers to the economy** and aims to provide them with essential protection and support.
  - The primary objective of this bill is to **extend social security and welfare benefits to gig workers operating in the state.**
- **Key Features:**
  - **Registration of Gig Workers:**
    - The bill mandates the **registration of all gig workers with the state government** to bring them **under the ambit of labor regulations.**
    - The state government will maintain a comprehensive database of all gig workers operating in Rajasthan.
    - Each gig worker will be **assigned a unique ID**, which will facilitate **tracking their employment history and entitlements.**
  - **Access to Social Security Schemes:**
    - Gig workers will be granted access to a range of social security schemes.
    - These schemes may include **health insurance, accident coverage, and other welfare measures** to provide financial support during emergencies.
  - **Grievance Redressal Mechanism:**
    - The bill ensures that gig workers have the **right to be heard and address any**

**grievances they may have.**

- This provision seeks to protect the **rights of gig workers** and provide them with a **platform to resolve work-related issues.**
- **Establishment of Platform-Based Gig Workers Welfare Board:**
  - This board will be responsible for **overseeing the welfare and rights of gig workers in the state.**
  - Welfare Board — comprising State officials, **five representatives** each from **gig workers and aggregators**, and **two others** (“one from **Civil Society** and another who evince interest in any other field”).
    - At least one-third of the nominated members should be women.
  - This representation aims to ensure that the **interests of both parties are considered** when making decisions related to welfare and regulation.
- **Platform-Based Gig Workers Fund and Welfare Fee:**
  - The bill introduces a "**Platform-Based Gig Workers Fund and Welfare Fee**" to finance the social security measures for gig workers.
  - The fund will be utilized to **provide financial support and welfare benefits** to gig workers during challenging times.
- **Fee Levied on Aggregators:**
  - Aggregators will be required to **pay a fee for each transaction involving a platform-based gig worker.**
  - The **specific percentage of the fee** will be determined by the state government to contribute to the welfare fund.
- **Penalties for Non-Compliance:**
  - The bill includes provisions for penalties in case of non-compliance by aggregators.
  - Aggregators failing to pay the welfare fee on time will be charged an **interest rate of 12% per annum from the due date.**
  - The state government can impose **fines of up to Rs 5 lakh for the first contravention and up to Rs 50 lakh for subsequent violations** of the Act by aggregators.



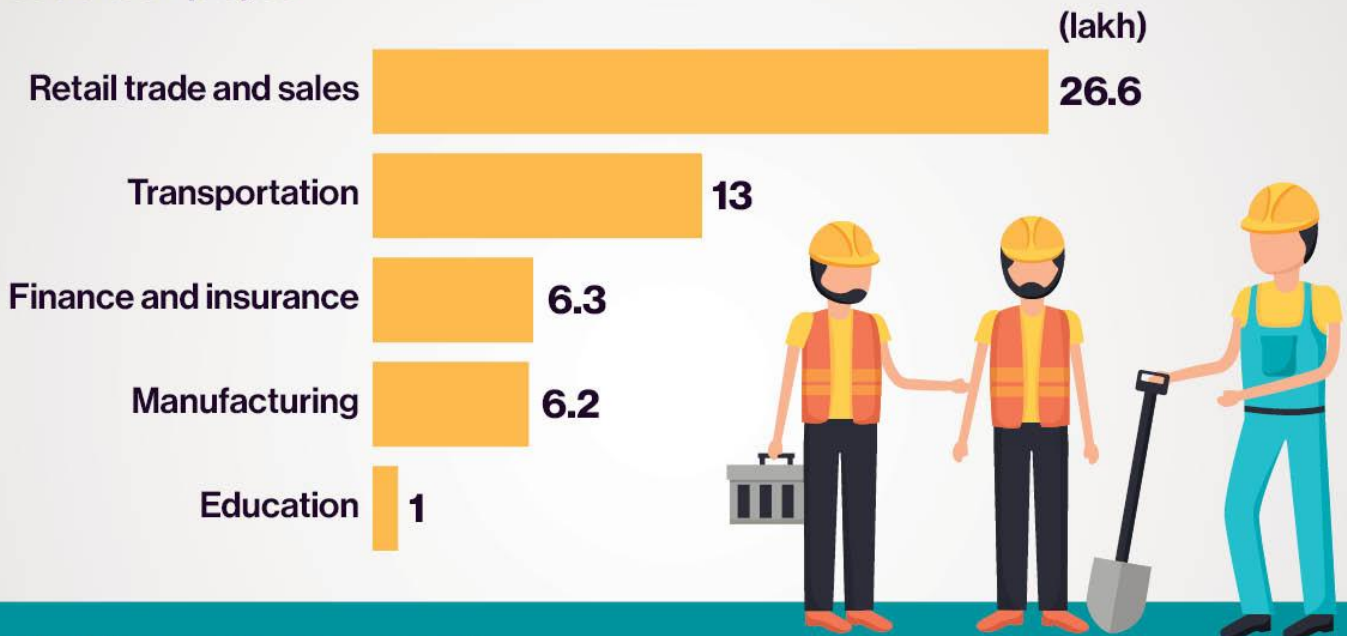


## Who are Gig Workers?

- A 'gig worker' is currently defined as someone who **“earns from such activities outside of the traditional employer-employee relationship and who works on a contract”** for various platforms or aggregators, such as Swiggy, Zomato, Ola, Uber, Urban Company, etc.
- Gig workers are **different from regular employees**, as they have **flexible work hours and multiple sources of income**.
  - They are paid on the **basis of the tasks or services they complete**, rather than on a monthly or hourly basis.
- Gig workers provide various services, such as **food delivery, ride-hailing, home services, e-commerce, content creation, graphic design, web development, etc.**
  - They use their **own devices, vehicles, and tools to perform their work**.
- Gig workers are estimated to be **around 15 million in India**, according to a report by [Boston Consulting Group](#) and Michael & Susan Dell Foundation. They are expected **to grow to 90 million by 2028**.
- A **Gig economy** is a **free market system in which temporary positions** are common and organizations contract with independent workers for short-term engagements.

# GIG WORKFORCE IN INDIA

NITI Aayog, in its report, India's Booming Gig and Platform Economy, said that gig workforce in India is expanding. As of 2019-20, here's what the following sectors employed:



NITI Aayog report stated:



## • Code on Social Security, 2020:

- The Code on Social Security, 2020 aims to **amend and consolidate laws related to social security** to extend it to all employees and workers in organized or unorganized sectors.
- The Code can be applied to **establishments subject to size-threshold through notification by the central government.**
- Separate **Social Security Funds will be set up by the Central and State Governments** for unorganized workers, gig workers, and platform workers.
- Registration provisions are specified for **unorganized workers, gig workers, and platform workers.**
- A **National Social Security Board** will be established to recommend and monitor schemes for these categories of workers.
- Funding for schemes of gig workers and platform workers may **come from contributions by central and state governments, as well as aggregators.**
- Penalties for certain offenses have been reduced, including obstructing inspectors and

- unlawfully deducting contributions from wages.
- During an **epidemic**, the central government may defer or reduce employer and employee contributions (under **Employee State Insurance (ESI)** and [Provident Fund \(PF\)](#) for up to **three months**).

## 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)**

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