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Tuesday, June 28, 2022

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Niti Aayog's report on India's gig economy: what has the think-tank recommended?

In a report titled 'India's Booming Gig and Platform Economy', government think-tank Niti Aayog has made observations on labour force participation of women and persons with disabilities, and made recommendations to companies.

Written by **Soumyarendra Barik**, Edited by Explained Desk | New Delhi |
June 28, 2022 10:53:47 am



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Indian vendors wait for customers while selling balloons and sweet candies by the Hussain Sagar Lake in Hyderabad. (AP Photo/Mahesh Kumar A.)

Government think-tank **Niti Aayog has proposed** fiscal incentives, like tax breaks or startup grants, for companies with about one-third of their workforce as women and people with disabilities. This is in an attempt to increase the participation of women in the gig economy.

In a report titled '**India's Booming Gig and Platform Economy**', the organisation also recommended extending social security measures such as income support, paid sick leaves, insurance and pension plans to people working for platform companies like Swiggy, Zomato, Ola, and Uber.

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What were some of Niti Aayog's observations?

The organisation, in its report, noted that **female labour force participation in India has remained low**, oscillating between 16 per cent to 23 per cent in the last few

years. Similarly, persons with disabilities, who make up for 2.11 to 10 per cent of India's population, have a labour force participation rate of 36 per cent.

“Structural barriers like access to education and lack of skilling have hindered participation of the two demographic groups in the country's labour force,” the report stated.

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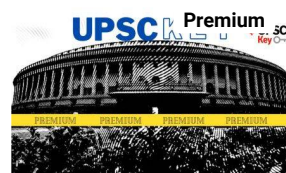
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Based on a survey conducted across urban centres of India, the report also said women are more likely to take up platform jobs after their education and marriage.

What are Niti Aayog's recommendations for the gig economy?

NITI Aayog has said, “Fiscal incentives such as tax-breaks or startup grants may be provided for businesses that provide livelihood opportunities where women constitute a substantial portion (say, 30 per cent) of their workers. Likewise, a platform with high accessibility or high degree of participation of PwDs too may be rewarded with fiscal incentives.”

Apart from incentivising platforms that focus on recruiting women workers, the report recommended that businesses have a higher share of women managers and supervisors in the organisation to ensure that communication to workers does not perpetuate gender stereotypes.

The report also recommended firms adopt policies that offer old age or retirement plans and benefits, and other insurance cover for contingencies such as injury arising from work that may lead to loss of employment and income. “Such plans and policies may be uniquely designed by a firm, in partnership with insurance companies, or could be designed and offered in collaboration with the government, as envisaged under the Code on Social Security, 2020,” it said. A social security cover out of a corpus fund can also help gig workers in case of contingencies, it added.

The Aayog's report also said that social security benefits be extended to workers in a partnership mode, as envisaged in the Code on Social Security, 2020 — as such, the report said businesses should consider providing income support to workers as it would be a “critical step in providing assured minimum earnings and social security from income loss in the wake of uncertainty or irregularity in work”. It also suggesting offering paid sick leave to workers apart from insurance cover.

Lack of benefits

Gig workers are typically hired by companies on a contractual basis and are not considered employees. They do not receive some of the benefits that an on-roll staff does.

How big is the workforce engaged in the gig economy?

Niti Aayog estimates that more than 7.5 million workers were engaged in the gig economy in 2020-21. This could grow to 23.5 million workers in the next eight years, making up for 4.1 per cent of total livelihood in India.

According to the report, at present, about 47 per cent of the gig work is in medium skilled jobs, about 22 per cent in high skilled, and about 31 per cent in low skilled jobs.

Gig workers can be broadly classified into platform and non-platform workers. Platform workers are those whose work is based on online software apps or digital platforms, while non-platform gig workers are generally casual wage workers, working part-time or full-time.

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Why are Niti Aayog's recommendations significant?

While platform companies have created avenues of employment, it has often been marred by low wages, unequal gender participation, and a lack of possibility for upward mobility within an organisation. This has triggered protests from workers at companies like Swiggy, Zomato, Ola, Uber, and Urban Company, among others.

Gig workers are typically hired by companies on a contractual basis and are not considered their employees. As a result, they do not receive some of the benefits that an on-roll employee of the company may have — this means they often do not receive benefits like paid sick and casual leaves, travel and housing allowances, and provident fund savings, among other things.

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