

## GROWTH AND CHALLENGES OF GIG EMPLOYEES IN INDIA

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### **ABSTRACT**

Gigsters are the new derivative of employees who will add value to the employment scape in India. Gigsters are those who take on a gig (Get it Going) project based on their specific skill sets that match the job requirements. The pandemic has just thrown open the door for gigsters to take centre stage in India. This paper looks at the gig boom in India and how it can significantly change the employment landscape in India. It also examines the question of who is a good fit for gig employment and how gigsters can improve their value proposition. It also aims to address the question of challenges for the gigsters, like their inability to engage in collective bargaining, the lack of long term economic security, the safety and security of gigsters in the work place etc.

**Keywords:** Gig employment, Gig work, employability, independent work, work alternatives

### **Introduction**

India boasts of the second largest population (approx. 1.35 billion people) in the world ([worldometers.info/world-population/india-population/](http://worldometers.info/world-population/india-population/)). It also boasts of having one of the largest English speaking workforces (approx. 10% of its population) (World Population Review). However India has fallen back in having a large technically skilled population but has taken initiatives to reverse this

anomaly. India also has the second largest users of mobile phones and this number is expected to go up with greater penetration of the mobile market into rural India ([statista.com/statistics/748053/worldwide-top-countries-smartphone-users/](http://statista.com/statistics/748053/worldwide-top-countries-smartphone-users/)). India also has the largest youth population in the world. (United Nations Population Fund). India is thus on the cusp of a significant economic growth cycle.

One of the challenges of the large population of India is the unemployment rate. While the overall unemployment rate in India hovers around 6.50% the youth unemployment rate is around 23.70%. (Tradingeconomics.com) As India is still largely an agrarian economy, pace of industrialisation while increasing, continues to be slow. Furthermore automation of the work has reduced dependence on the labour force. When one considers the introduction of automation, artificial intelligence, speedier computations power and enormous influence of technology in the work place, there is high probability of lesser employment generation in the industrial space as well as the service space like banking, bureaucracy and administration. While jobs will continue to be generated, as manpower is key to starting any venture, there would be limited scope for widespread employment. It is also pertinent to note that there is still a large population who have limited formal educational opportunities or who have not been able to pursue their academic goals or those who have academic qualifications but are unable to get a job. Hence there will be a large set of people who will seek opportunities to get some form of income using their existing abilities and seeking avenues to generate income. They are all prime candidates to take on gigs of varying types that suit their requirements. This population of unemployed but willing to take on opportunities will go up even more, considering that there is a compulsive urge of the rural population to migrate to urban areas

for the perceived better quality of life. (urbanisation) With the government of India encouraging skill development, there will also be a whole set of skilled individuals who will try to leverage their skills and take on assignments either directly as gigsters or through gig platforms.

The gig economy in India has the potential to grow and scale up quickly not just because of the available population and limited job opportunities but also because technology which was responsible for automation and lower employment opportunities has now morphed an enabler for gigsters to find opportunities and for entrepreneurs to explore gig work as a business venture. Fortunately for India, not just the population but the penetration of mobiles and the relative cheap tariffs of mobile usage have created a huge user base of techno facile manpower. (Usage S. M.) These new techno facile manpower can leverage the power of communication technology to explore, expand and embrace new opportunities of personal growth that combines flexibility of work with immediacy of returns and domain control be it timing of gig work, place of gig work or types of gigs.

### **Growth of Indian gig economy**

While gigsters as a class of available human manpower resource have always existed in India in the form of farm labour, carpenters, painters, manual labour etc. they existed because they did not have any alternative work

opportunities. During the period 2009 to 2019 it is estimated that there was approximately 4% migration to urban Indian. (urbanisation) Today, in urban India the lack of formal employment opportunities is a trigger for people to engage in gig work, especially at the lower end of the work pyramid. However, there is also a new class of gigsters. These new breed of gig workers are educated, have high end skill sets, have chosen gig work over conventional jobs and they have no qualms of not having a regularly job or any feeling of job insecurity because it is a way of life they have opted for.

The Covid 19 pandemic has had disastrous consequences for the economy worldwide and particularly impacted the industrial output as well as industrial labour. It had also rendered large scale unemployment especially for those in the unorganised sector in particular but also impacted employees in the organised sector. Fortunately, the availability of enabling technology and the opportunity to explore work from home options have resulted in a completely new way of work opportunities being created. It is estimated that there is roughly 50% internet penetrations in India. (Usage S. -I.) Employees, especially the younger generation have seamlessly adapted to these new norm of work partly driven by compulsion but largely driven by what they see as a adapting to the new world.

One important flip to gig work which unfortunately is direct result of the pandemic is that a lot of employees/

workers had been retrenched, especially at the lower levels were willing to take on this role as gigsters at very competitive rates for their sustenance. India is uniquely placed to scale up gig employees because of the large population and relatively large youth unemployment. This is also the time of generation Z, who unlike their predecessors, have their life intertwined with technology, hold drastically different views of work culture and life and do not look at a full time employment as a must. They are also in instantaneous touch with happenings and changes worldwide and hence willing to experiment with the fads and trends on the global stage. To meet their economic aspirations, they are willing to experiment with new models of work engagement including taking on gigs that offer them independence in their work and a freedom to choose what to do, when to do and get their services valued as per demand and supply.

Corporates have also found gigsters to be a cheaper alternative and more critically off their payrolls. According to a Nasscom Aon report, around 49% of corporates use gig workers and around 60% tech firms have indicated their preference to employee gig workers. (Nasscom Aon, 2020) Technology has been an enabling factor for matching the demand supply requirements thus propelling the gig avenue to gain momentum. From an employer's point of view there are numerous benefits of work from home that add to the corporates top line and bottom line. The major savings are in

terms of reduced cost of work space infrastructure followed by savings in employee related costs like not having to maintain a wide variety of employee linked facilities like canteens, transport facilities, the possibility of automating a lot of activities and reducing physical manpower. With work from home taking over, employees save on commute time, they are also able to work at their own flexi time and there is more transparent work standards leading to clearer targets and outputs.

### **Challenges to the growth of gig economy in India**

The gig economy has been a term used to classify all gig ventures there are important distinctions that define the challenges of the different type of gig players in the gig economy.

Hence it is essential to recognise that there are three classes of gigsters that are involved in gig work.

**Low skill – low wage gigsters –**  
Drivers/delivery boys/house painting workers/ construction labourers/ farm labourers / security staff / facilities management workers

**Skilled – medium wage gigsters –**  
Nurses / Plumbers / Electricians / Carpenters/ tailors

**Professionals – Command their price –**  
DJ/ Sound engineers / Voice Over artists / Physiotherapists / Doctors / Contractors / Investment Consultants / Training professionals / Tutors / Insurance agents

The first two classes of gigsters are better off when they are facilitated by gig aggregators. The last class of professionals / experts can offer their gig services directly to their customers and possibly obtain better gig fees.

The real concern pertains to the first two classes of gigsters who are often at the mercy of the gig aggregators and even occasional exploited by aggregators since technically they are not employees of the aggregators. Hence the primary issue pertains to statutory protection in terms of engagement contracts, facilities and conditions of work and essential protection from on job catastrophes like accidents, getting mugged, etc. The gigsters must also be entitled to minimum wages and reasonable differential bonuses which are specified by law.

There must be equality of pay and the bonus payment methodology must be reasonable, equitable and fair. Gigsters must also be get their wages on time, be entitled to overtime wages where applicable and be compensated for accidents while performing their tasks as mandated. In cases where the gigster is unable to resume work due to an accident while on the gig, there must be a provision to enable compensation for loss of pay.

Aggregators must also put in place a system to ensure that the end user of the gig activity is not cheated in any manner ( e.g. cab drivers cancelling a ride or forcing the user to cancel a ride) and those gigsters who perform below par are penalised and the end

gig user compensated. Some of these concerns have been flagged off by (Joshua Healy, Daniel Nicholson & Andreas Pekarek:, 2017)

#### **Future of the gig economy in India**

Since there are no major entry barriers to people taking up gigs, the gig space is open to everyone to explore. Being a populous country there is no shortage of manpower in India. Equally relevant is the fact that youngsters are keen to shift base to urban areas. The rural India landscape too is changing from a farm labour driven agrarian set up to a more sophisticated automated farming set up thus reducing the dependence on local manpower. With migration to urban India and the contours of urban India widening, if full-fledged job opportunities are not available, the unemployed will turn to gigs to ensure their sustenance.

At the same time, the reach of technology, has ensured that we have a techno savvy youthful population who can leverage the power of basic tech to engage fruitfully and actively participate in the gig economy in India. The ease of tech availability and the emergence of tech entrepreneurs in India would lead to innovative and extensive use of technology that can bring about gig opportunities for the youth in particular. The pandemic upheaval has revealed to corporates that there are alternative ways to conduct business effectively and use of gigsters can be an effective and efficient way to build and sustain business.

#### **Engaging gig talent in India**

It has been argued that for the gig economy to stabilise, it is essential to have a new set of labor laws that cater exclusively to gig employees. (Todolí-Signes,, 2017) Similarly, gigs in India will really blossom only when appropriate statutory measures are put in place to ensure that gigsters are given adequate protection from being exploited by those who engage them either as aggregators and /or they are protected from the end customer who utilise their services. They should be provided not just fair wages but also fair working conditions and protection from work related dangers. Gigsters must also be protected from sudden separation, layoffs and retrenchment a ruse that can be indulged in by those engaging them since the gigsters lack the power of collective bargaining.

Equally important is the proactive role of those employing gigsters. Adequate training and growth opportunities must be provided to gigsters. In addition, there must be provision for appropriate human relations policies to take care of the manpower's physical, psychological and social needs. Gig employees must be also educated about their statutory obligations especially regarding provisions of the law that they could possibly overlook either during the course of their work ( e.g. handling work beyond their scope of work / expertise )or post their work, as in case of filing income tax returns where their income crosses certain thresholds.

What gig aggregators, end users of gig work, independent gigsters and the statutory authorities must take into account, is the reality that gigs are an emerging employment alternative and hence they needed to be nurtured and moulded to ensure that in the long run all parties benefit. World over the gig economy is here to stay. It will expand and it will play an important part in accelerating the growth and prosperity of the world at large, especially now

that technology has helped the world to be interconnected real time and helped shrink it to be a global village. India too will ride that wave with aplomb because we are just the perfect population to leverage that; youthful, tech savvy, having increasing tech connectivity and above all sizeable manpower who crave for employment avenues and are willing to explore, experiment and expand.

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