

A policy conclave on The Gig and Platform Economy in India

Organized by ISB Institute of Data Science, Indian School of Business, Mohali campus
in a collaboration with NITI Ayog, New Delhi on 25th January 2023

In June 2022, NITI Aayog released a study report on **India's 'gig and platform economy'**, which has triggered extensive discussions on the potential for employment and social inclusion within the sector, the implications on labour and efforts that can be made by stakeholders to design labour welfare and social security policies and skill the workforce to tap potential opportunities in the sector.

Taking off from this report and a confluence of other tendencies, **NITI Aayog and Indian School of Business (ISB), Mohali** are jointly organizing a Policy Conclave on the Gig and Platform Economy in India that will revolve around three core thematic sessions: (i) Promoting Financial Inclusion for Gig and Platform Workers (ii) Promoting Digital, Financial & Entrepreneurial Skills for Women and Youth in the Platform Economy (iii) Designing Social Welfare Initiatives for Gig and Platform Workers.

Remarks from Professor Ramabhadran Thirumalai, Deputy Dean & Associate Professor, ISB

Professor informed that this topic is critical and the requirements of people who are working in this sector is an critical thing. He focused on few aspects such as how to provide social security towards such group of people? He also emphasized few questions such as do we need to innovate existing policies and programmes which are in place for providing social security? He congratulated Niti Ayog for collaborating and making partnerships with ISB Mohali campus and conducting this one-day conclave though which we can create more research opportunities and as well as help Niti Ayog for making more robust policies for the betterment of not only Gig and platform workers but to the extent of their family as well.



Remarks from Rajesh Gupta, Director, Niti Ayog

This event is subsequent to the event of the report which was recently published by Niti Ayog. It is the first official report of its kind in India, and it provides recognition from the Government of India on the significance of gig and platform economy workers. It is one of the key ingredients in the making of policy and regulation towards this area. He rightly said that we need to think, discuss and identify potential ideas from each perspective which will eventually help Niti Ayog and as well as government of India in formulating policy for Gig and Platform workers for the Indian economy. He proposed few questions to think that whether government should design stringent policies with considering platform or aggregator companies in mind or should we



create such system which is self-regulatory itself. He also emphasized that we should include unorganized sector as well. He also insisted platform companies to come forward and share all the required details with the government such as exact number of workers in a district, number of women workers, or if we can together make some kind of simulators for the aggregator app in which a researcher can see both side of it so that it will help researcher to understand various aspects of all parties (user, third party, provider, etc) and it will help further government to formulate policies and guidelines in this area.

Remarks from Mr. Manvesh Singh Sidhu, IAS, Labour Department, Punjab



Mr. Sidhu informed that there are only four social security codes which are in place with respect to previous ones as there were quite several social security codes before. He also welcomed the ideas, suggestions and observations on improving further social security codes from academics or researchers, platform companies, etc. He talked about various schemes which are in place already such as insurance/ESI (Employee State Insurance), employee welfare schemes, EPF (Employee Provident Fund), etc. However, he also accepted that there are very small number of schemes or benefits offered for unorganized labour and hence, he suggested that if some kind of state or national level social security fund created in such a way that it can provide required help to all unorganized workers. The national or state level fun should be receiving deposits from national and as well as state government, from platform companies, and anyone who willing to provide their help.

He also suggested the idea of creating a national level body may be titled as “National Social Security Board” and as well as state level board titled as “State Social Security Board for organized and unorganized labour. He shared an important point with respect to gig or platform workers that the structure of these worker is such that by design labour department is unable to help or provide social security and welfares as worker has to show some continuity in the job and s/he should be a member of any existing boards or statutory bodies of national or state level for getting benefits of various schemes. He insisted that it is the high time for India to create one common body or board at national level for al kind of labourers which includes unorganized and organized labours. He also emphasised that there must be a universal health coverage for every Indian citizen which should be provided by Government of India.

Presentation on report titled “India’s Booming Platform and Gig Economy” by Dr. Sakshi Khurana, Niti Ayog.



Dr. Sakshi Khurana- Niti Ayog has conducted study on various Indian aspects which includes Estimates of the Size of Gig and Platform Workforce & Future Projections, Relevance of Gig & Platform Economy for India, Case Studies of Global Best Practices/Initiatives in the Platform Economy, and Policy Recommendations & Suggested Initiatives.

Niti Ayog pointed out in the report that there are 21 occupational categories in which gig work is possible and prominent and 15 industries in which has largest concentration of gig workers and have also potential for growth. We have around 7.7 million gig workers in India for the year 2020-21 and we are expecting to expand the base of gig workers around 23.7 million by 2029-30. Gig workers are expanding in many sectors such as retail trade and sales, Transport sector, Finance and Insurance, Information & Communications, Manufacturing, etc.

There are three types of skilled gig workers in the country which includes Low Skilled, Medium Skilled and High Skilled workers and they will emerge as 33.8% low skilled, 38.7 % medium skilled and 27.5 % high skilled gig workers by 2030.

Challenges for Platform Workers



There are many challenges which gig workers are facing may include varying classification, inadequate social protection, algorithmic control lending pressure, irregular work, and concerns with respect to security & safety. There are also challenges pertaining to women especially, which may include access to skills, skills mismatch, and concerns regarding safety and dignity.

In the report, they have also shared global best practices of USA, UK Indonesia, Malaysia, Uruguay, etc. California become the first state in USA who introduced The Protect-App Based Drivers and Services Act in November 2020 to address issues of economic and social security of gig workers. Ministry of Labour, Government of India, introduced E-Shram online portal in August 202 which is centralized national database for unorganized workers including gig & platform workers, constructions workers, migrant workers among others.

She also shared that Niti Ayog suggested few recommendations and suggestions pertaining to social security, skill development, financial & social inclusion, etc. for gig & platform workers. They have suggested by catalysing platformization, in which it may include Platform India Initiative, Ferrying of Passengers for Hire may be permitted in all categories, Self-Employed Individuals engaged in the business of rural and regional cuisine, street food, etc. may be linked to platforms, access to institutional credit may be enhanced through financial products specifically designed for platform workers. In the report they have also recommended that skill training may be led by platforms in such a way that they can create more job creation, which can provide horizontal and as well as vertical mobility for gig workers among platforms. Report also suggested to create E-skill India platform which may be kind of an aggregator of learning created by private trainers.

To enhance and increase women participation in the gig economy, report suggested to conduct various awareness programmes for workers, outcome-oriented skill development programmes, create better infrastructure & work design which will help to create enabling environment for women and empower Divyang (Persons with Disabilities) people in the new -age digital economy by providing employment.

Theme 1: Promoting Financial Inclusion for Gig and Platform Workers

For workers and individuals to leverage opportunities in the gig and platform sector, the report recommends accelerating access to finance through products specifically designed for platform workers. There are examples of several platforms who have taken the initiative to partner with finance companies to fulfill their workers’ credit and other financial needs. Financial products need to be designed to fit micro-entrepreneurs’ needs and lift any sort of entry barriers. A special emphasis must be placed on access to formal credit for women and persons with disabilities (PwDs). This session will discuss such existing initiatives for gig and platform workers and deliberate on steps that can be undertaken to enhance financial inclusion for gig and platform workers.



Three Speakers- Mr. Harit Mohan, Mr. Ashish Sikka, Professor Puran Singh, Moderator- Professor Avik Sarkar

Harit Mohan, VP, TiE Chandigarh – he shared a typical road map or a journey of any start up from its initiation, making new progress towards growth and become big player in the market. He informed that usually, a new firm or entrepreneur/s starts with small number of people and then gradually, hire more and more people towards growth and



eventually become from unstructured to a structured organization.

Usually, platform firms budget fund for some number of workers who doesn't stay for a longer amount time and rather they switch their jobs among various players I the domain and get better understanding and experience of all major firms in the sector and through which platform companies can also leverage their knowledge and experience to solve problems.

Ashish Sikka, Chief Strategy Officer, Ecom Express –

He shared story about his journey with the firm that they launched the first of tis kind end to end gig platform in Sept-2020, and in less than two years they achieved a milestone of 90,000 users on the platform. He informed that there are already around hundred organized portals which are catering to gig workers across different categories such as food, grocery, travel/mobility, logistics, real estate, etc. he shared that usually the cost of sourcing a gig worker is somewhere around INR 500. And hence there are challenges for platform companies to find better worker who is skilled enough, experienced, responsible, etc with such kind of qualities. He suggested that platform companies should come across and try to make free flowing market and allow gig worker to participate and work across firms, which eventually help platform companies to retain them easily. He also emphasized that before we talk or discuss about financial inclusion of such workers we should focus on their earnings, source/s of incomes, dropout rate, time spent with platform companies, etc.



He shared with audience that it is quite difficult to scale-up platform firm while doing end -to -end delivery with humongous amount of gig workers involved until touch point and hence, there are lot of challenges around how to engage gig workers in order to compete, earn profit and sustain in such competitive environment. He shared his learning based on his past and vast experience with the firm that there is no single model or way of sourcing gig worker, there are no credible channels or mediums through we can source gig workers and identify or know their potential behaviour for the job. He informed that a typical gig worker who is earning daily, weekly or monthly spends 2 to 4 hours to complete assigned tasks by platform companies. However, platform workers are not much aware about what kind of risks they are prone to while working for the firm.

He talked that there is no unique or certain system through which platform companies can identify and authenticate the number of gig workers and how many of them are minors, or what kind of fraud has happened during his/her previous experience or how many women are gig workers, etc. He also exclaimed that even in the digital era today, almost about 70 – 75% of transactions are happening through cash payment and hence, there are certain risks associated with this as well.

Overall, he questioned that it is a big challenge for any platform company to Identify, source, and channelize gig workers in order to provide high bucks and increase their disposable income. He is expecting from the national budget that there should be some kind of taxation benefit to the firms especially who are very actively investing into higher technology and providing various platforms for workers and as well as users which ultimately helping them to

be familiar with technology system. He emphasized that we need to create digital enablement of workers which rises to new risks and vulnerabilities and hence, we require new legislation to address such issues and concerns.



Puran Singh- Assistant Professor, IIT Mandi – Professor brought the point from commercial angle of profitability or survival of any organization such as platform company. Each plat firm requires to identify that who are this gig workers, what kind of behavior that they anticipate with existing financial offerings or services. He shared his one research study with us in which they found around **300 rural** locations in the Himachal Pradesh where rural banking agents are working and provide services to those people who are using technology, have some amount of agricultural land, having irregular occupations and vulnerable due to demographics, local environment, etc.

Budget- He is expecting from national budget that we should reduce information asymmetry and try to increase transparency among all gig workers and as well as platform companies. We must look and think beyond just opening a bank account, deposit money, use credit services, etc. to provide financial inclusion for such people. Rather we should focus on how to use and leverage technology and obtain, assimilate, and analyse the financial information and increase financial literacy for workers which eventually for the betterment of them. He also suggested to increase the number of people who registered with **E-Shram** portal by branding them as a “**gig champion**” or so. Through which we can bring soft credibility among all gig workers, and we can also help to build trust among platform companies and gig workers.

Theme 2: Promoting Digital, Financial & Entrepreneurial Skills for Women and Youth in the Platform Economy

Given the opportunities available in the gig and platform economy to a digitally adept young population, it is imperative to understand how workers, particularly women and youth, perceive their education and skills portfolios and the challenges they face in learning or accessing new skills. This session will discuss existing skill training initiatives for platform work by government, platform companies and skill training providers and how these can be leveraged and new skilling initiatives introduced to meet the skilling needs of the platform economy. It will delve into how workers can strengthen and expand their skills portfolio.



Ms. Snehil Singh, Dr. Maneesh Mishra, Prof Ahmed Timoumi and Moderator- Oshin Dharap



Ms. Snehil Singh, OMI Foundation – She informed us that labour relations have changed in last **10-15 years** because of modernization, digital economy, etc. – and we should use term as modern labour. She also suggested to think about what is there for women and persons with disabilities in the platform economy as a whole. In last 10 years, there is a drastic increase in access to smartphone and internet facility which enables all kind of digital

transactions and hence, there are requirements of certain skills which are gained as a platform user or gig worker. We should find out various means of ways through which we can help gig workers to develop new skill or enhance any existing set of skills in order to empower them so that they can grow in their field and earn more, grow and fulfil their desires.

Platform led skilling or up-skilling model will work in general in India and as well as at a global level also, and it will lead to vertical and horizontal mobility for gig workers. Platform economy enabled many opportunities such as in- sourcing or earning through platform economy and as well as learning or upskilling also happens through platform led models or firms. She suggested to provide training on core skills, beauty, electrical, mechanical work etc through which they can utilise their asset in a greater number of ways.

Usually there are three types of training are provided by any skill development centre or institute which includes face to face, in-app trainings through notifications or similar things,

and online trainings by platform itself. There is an autonomy which lies with workers such as what kind of training they are willing to pursue, with what kind of platform companies that they wanted to work, and for how many hours, etc. she suggested that there are humungous number of workers with so many skills and training set and hence it is necessary to provide a unique identity for such fluid identities.

Dr. Maneesh Mishra, NSDC (National Skill Development Corporation) – He informed us that skill ecosystem is evolving in the country. They have completed successfully three phases of **Pradhan Mantri Kaushal Vikas Yojna (PMKVY)** and about to start fourth phase as well, through which they are trying to serve around **15 million** people in the country.



He talked about Market led programs which should focus on the current market trend and its requirement so that provide should conduct such kind of training or skilling programmes. He also suggested that there must be an aspirational value should be associated with certain kind of training or skilling programmes. However, it is challenging to design such kind of programmes also he accepted.

He suggested that platform companies should tie up with NSDC or such kind of big training body through which it will become easy for worker to reach and access multiple type of programmes. He told that NSDC have already tie up with Urban Company for some kind of skilling programmes for their workers. NSDC have advantage of having larger network with various training providers, along with **5000 PKMVY** kendras, etc. He also announced that NSDC is now coming with a new platform titled as Skill India Digital Platform through which worker can learn courses via online mode and earn credentials.

There is a huge cost associated with verification and validation of any worker in the firm and hence, this digital infrastructure will help not only employer but also prospective employee in terms of carrying credentials, skill set, certifications, experience, etc. to the next job or work.

National skills qualification frameworks arranged skills at **10 different** levels in which till the fourth skill level is considered as low skilled worker, from fifth to seventh level is considered as medium skilled worker and from seventh to tenth level is considered as high skilled worker. He also informed that skills is different from education in a way that we need to provide practice for those skilled workers on an immediate basis so that they can understand all kind of applications and earn hands-on experience. Cost of sourcing a women employee is 10 times higher than male worker. He emphasized that we should create pool of large number of people with multiple skills, and generate public good for market or platform economies to take advantage or leverage them for the betterment of all players in the gig economy.

He shared one example of National apprenticeship act 1961 which was modified in 2014 and after the revision of the act there were huge number of apprenticeships offered by various firms and we have achieved target of more than **1 million** people as an apprenticeship for the current **year 2022-23** which was revolving around 100,000 since many years. However, it was discouraging previously as the act was incorporating big deal of conviction for employer (Ex. Three years imprisonment) etc. which is brought down to INR 1000 fine for any non-

compliance by the firm and hence, people were discouraged to be a part of providing apprenticeship in their firm in the earlier days. Hence, he suggested that any law or act should play a role of facilitator for the people and society at a large.

Ahmed Timoumi, Assistant Professor, ISB – Professor informed that the big boom is yet to come in actual sense as we are way behind with respect to number of online transactions happened daily in a **China**. He accepted that there is a biggest challenge with respect to upskilling with gig workers in the country such as providing proper education about how to use product or service, how to decrease number of reverse logistics or product returns, how to educate consumer or purchaser that how to use and operate the delivered product, etc.



Gig worker is facing problem because he/she has not much or enough time for upskilling or upgrading while on the other side platform companies are also least bothered about providing or conducting training sessions for gig workers because workers may switch their job very easily to the next competitor or so. There should be some regulation or policy in which platform must contribute or common pool of some amount of fund for such kind of national skilling programme.

An opportunity for private players for sourcing, skilling and providing workers to platform companies. Major sourcing of gig workers still happens through referrals, offline channel, certain group or people or communities, etc. for an example, player like **BYJU's** can come and offer such kind of service for platform economy.

Overall, we should focus from Unorganized retail or economy to creating an organized economy in our country. He also insisted that we should provide soft skills (behavioural skills, interpersonal skills, communication skills, etc.) along with the required skill set for doing or performing any particular task for gig workers along with flexibility to move from one firm to other firms and so on. He suggested that skilling increases retention, and which will help the firm to increase loyalty from worker side.

Theme 3: Designing Social Welfare Initiatives for Gig and Platform Workers

Social security measures can be introduced by platform companies that lend protection to workers against contingencies such as accidents and health and lifecycle developments such as childbirth and old age. Measures for paid sick leave, health access and insurance, occupational disease and work accident insurance, and retirement/pension plans and other contingency benefits may be designed by platform companies in partnership with private insurance companies and the Government, as envisaged in the Code on Social Security 2020. The last session will deliberate policies and measures that can be implemented by different stakeholders, keeping in mind the heterogeneity of the sector, to extend social security to gig and platform workers.



Mr. Shaik Salauddin, Mr. Bala Subramanian Iyer, Mr. Joyson Devasia Moderator- Dr. Sakshi Khurana

Question: How innovative solutions can be designed to address social welfare initiatives?



Mr. Shaik Salauddin, IFAT (Indian Federation of App-Based Transport Workers)- we have been following for more than eight years with multiple central or state government departments for addressing our concerns and critical issues. After continuous follow up with these departments, Government of India came up with amendments to motor vehicle act 2019, introduced **The Code on Social Security 2020** and **Motor Vehicle Aggregators**

Scheme 2021. However, platform companies are lagging in the implementation of mentioned guidelines or act. Platform workers went and knocked the door of supreme court of India and a Public Interest Litigation applied and supreme court has noticed platform companies two to three times. However, permanent solution is yet to come. Recently, Government of Rajasthan has initiated process of addressing concerns of gig workers with respect to social security codes, welfare schemes, etc.

He shared few experiences or examples with audience in which a driver met with an accident on road and he was the only earning member of his family. Even after having third party insurance, driver's family is unable to receive insured amount because of various legal or technical concerns. Moreover, he also informed that these insurance companies and as well as platform companies doesn't have branches or offices in all cities and hence, it is becoming difficult for workers to reach out to them for getting any kind of help.

He suggested that they are requesting government to make social security and welfare for gig workers, a tripartite board in which representations should be from Government, Platform Companies and Workers or Union of workers and a regulation or act for aggregator companies. He also insisted that each state government along with Central government should do transparent audit of all platform or aggregator companies.

Question: What are initiatives done by Swiggy to address social protection, worker welfare or skill development?



Joyson Devasia, Swiggy- He informed that Swiggy offers three types of benefits to delivery partners (i.e. gig worker) which includes health & safety related measures, capability related measures and others which are not part of mentioned two measures. He shared that Swiggy is also evolving and learning from past events and hence, Swiggy has started initially to offer accident claims and later also added general medical insurance for each worker. In terms of capability or skill development, he shared that Swiggy has started two initiatives named “**Swiggy School**” and “**Swiggy Skills**” for delivery partners started in the year of 2022. Swiggy school teaches how to improve service performance and earn more in their current role while Swiggy skills address issue of upskilling and educating workers and as well as their children which will help them even after switching their jobs or moving up in the ladder. He also shared that there are already **2,50,000 children** enrolled in this initiative and learning from our education provider firms.

He informed that Swiggy also started initiative which takes care of minimum income for worker’s family in case worker is unable to work for some time because of medical or health related issue. For women worker, he shared that Swiggy has started to provide few leaves for menstrual duration and as well as if any woman is pregnant, Swiggy is providing maternity leave, bereavement leaves in case of death of near ones in their family. He also addressed audience that Swiggy has started an emergency system through which any delivery partner facing any emergency or issue so that they can reach out to this system and get help from them.

Dr. Sakshi suggested that all platform companies should strengthen their outreach and network and go out and inform and as well as educate all workers about all kind of initiatives. She also recommends that all platform companies should initiate a process of knowledge exchange in both ways so that understanding becomes more stronger among workers and companies.

Question: Can you please tell us and share more about platform cooperatives and the role of ICA?

Mr. Bala Subramanian Iyer, ICA (International Cooperative Alliance) – He shared with audience that ICA is a global body for cooperatives and it has more than 100 global memberships from various countries who together coming out to be billion members of cooperatives. He shared that the top **300** cooperatives from around the world have annual turnover around **\$ 2.1 trillion**. He informed that there is no collective organization among gig workers based on the report by Niti Ayog.



He shared a definition of platform cooperatives is a cooperative who leverage technology and its operations. He shared three successful examples of cooperatives around the world and show case that how a cooperative with different internal set-up can be run successfully. The first example he gave of **Up & Go** cooperative model of New York in which they offer house/office cleaning and other related activities via platform in which any freelancer can join the platform and be a member and provide services. The second example he shared of **Smart** which was started in Belgium. It is a worker cooperative that hosts your professional projects, allowing you to share resources, tools, and security. They say that you are choosing Smart cooperative solution you secured your employment with the freedom of an entrepreneur. And the third example he shared with the audience is of **Stocksy**, a platform cooperative for artists or photographers which provide the platform to grow entrepreneurs' pipeline and nourish their cooperative ecosystem by providing skills, tools, and along with capital requirement for growth.

He shared one example of Kerala government in which they come up with DWMS which is platform of aggregators of aggregators through which a gig worker can identify various opportunities to do work and earn and as well as upskill and grow further in career. He suggested that as India is becoming a more service dominant economy and also given that heterogeneity in India, rise in the needs of people, etc. and hence, there is a potential to come up with more innovative model in which Ministry of Cooperative, Platform Companies and gig workers, Niti Ayog to play key roles.

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