

# QUALITY GIGS, A SOLUTION TO URBAN UNEMPLOYMENT

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

With the Indian economy gradually finding its feet after a historic contraction of negative 23.9% in the April-June quarter, economic commentators have busied themselves with debating the need for fiscal expansion and the viability of a “V-shaped recovery”. These debates, however, have shifted focus away from the employment question, considered resolved after a sharp rally following the collapse in employment numbers in April. More recent data from the Centre for Monitoring Indian Economy (<https://bit.ly/3hEnl7Z>), however, point to a gradual slowdown in employment recovery from the month of July, with the latest numbers pointing to a sharp rise in the national unemployment rate from 6.51% in November to 9.06% for the month of December.

For labour flocking back to rural India, employment support came in the form of an increased outlay for the National Rural Employment Guarantee Scheme (NREGA), which witnessed a 243% increase in person workdays. This increased dependency on NREGA, has seen the Rural Development Ministry spend nearly 90% of its increased 86,4000 crore allocation by the month of November, while still being unable to fulfil demands for nearly 13% of the 75 million households that demanded work.

In several Indian cities however, shuttered businesses have meant that millions of workers have either had to leave or have had to take up new forms of work, with some finding the burgeoning gig economy to be their only source of employment. It is here that the Fairwork Foundation's annual review of platform labour gains prominence.

The report (<https://bit.ly/2X5nZSu>) evaluates the well-being of gig workers on 11 digital platforms and does so by evaluating them on five metrics of Fair Pay, Fair Conditions, Fair Contracts, Fair Management and Fair Representation. In its findings however, only two firms (Urban Company and Flipkart) score greater than five (out of a maximum of 10) while seven score only 2 or less. Most concerning perhaps, is the fact that the bottom of the rankings are rounded off by India's four largest platform giants, namely, Uber, Ola, Swiggy and Zomato.

With no urban equivalent to the NREGA on the horizon, there must be an increased impetus on evaluating, regulating and supporting new forms of employment that may currently be serving as an informal safety net for those desperately in search of work.

The first and most critical task at hand remains evaluation. Our current understanding of gig work and workers remains constrained to the limited disclosures made by the platforms themselves. Furthermore, with very few independent studies evaluating the scale and impact of these platforms, most regulators continue to remain in the dark on basic questions surrounding platform labour. As of now there exists no authoritative estimate on the total number of gig workers in India, though the centralised nature of the platforms, and the larger platform labour market should make the collating of this data relatively straightforward for the Labour Ministry.

The next step is significantly more sensitive and involves regulation. The reason for the sensitivity primarily revolves around the varied nature of gig work. While some workers use these platforms as a “side hustle”, for others it continues to serve as a primary source of employment. This dynamic is further complicated by the risk of a one-size-fits-all regulatory strategy unintentionally hurting the similar, yet distinct, market for highly skilled (and highly paid)

freelancers, that continues its rapid growth due to pandemic related full-time staff layoffs.

Perhaps a more viable strategy then would involve conditional government partnerships with platforms under some of its flagship schemes. Here, the successful pilot (<https://bit.ly/3pMNggC>) of Swiggy's Street Food Vendors programme under the PM SVANidhi, or PM Street Vendor's Atma Nirbhar Nidhi scheme, may prove to be an illustrative example. While Swiggy has announced the onboarding of 36,000 street food vendors onto the platform under the scheme this month, it has also looked to ensure that each vendor is registered and certified by the Food Safety and Standards Authority of India. The simultaneous creation of jobs, alongside the voluntary adoption of quality standards is an example of a mutually beneficial partnership between the state and a platform that creates jobs while incentivising greater levels of compliance.

Similar collaborations on urban employment, that require labour platforms to comply with disclosure norms and worker compensation standards to access government support, could be one way for the government to kill two birds with one stone. Current proposals for an Urban Employment Guarantee peg daily worker wages at approximately 300 (<https://bit.ly/2Mt1moR>), at a cost of 1-lakh crore to the exchequer. Collaborating with platforms to employ workers, would not only bring down costs significantly (for both the state and their partners) but it would also create an environment where firms would be more likely to cooperate with the state, as opposed to adopting an antagonistic position in what could prove to be a long-winded legal battle.

As the new year rolls in, and India looks to convince the world that it has turned the corner on its economic woes, it must look to step outside the box to tackle the challenge of urban unemployment. Limited fiscal space and a growing need to fuel the country's consumption base, must push the government to build symbiotic relationships with new partners. With Industry 4.0 platforms absorbing increasing numbers of the urban workforce, evaluation, collaboration, and regulation must be the government mantra. As the pandemic forces India to define its own understanding of the future of work, it falls upon the state to ensure that this future is defined not only by the quantity of jobs it creates but also by the quality of livelihoods they provide for .

Vineet John Samuel is a German Chancellors Fellow based out of the Hertie School of Governance, Berlin. The views expressed are personal

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