

Karnataka to propose Bill for Gig Workers

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Context

The Karnataka government is preparing new legislation for the welfare of gig workers.

About

- While the state government is yet to finalise the **Karnataka Gig Workers (Conditions of Service and Welfare) Bill, 2024**, it has shared a draft with stakeholders during a meeting last week.
- **Major highlights of the draft are:**
 - Strict mechanisms to ensure honest terms of settlement and make certain income security,
 - Proper dispute and complaint redressal mechanisms,
 - Setting up of a state-level welfare board,
 - A primary transaction monitoring system,
 - A provision to impose consequences on aggregators for violations, among others, and
 - Job security and health of employees.
- After Rajasthan, Karnataka may be the second state to have a regulation for the welfare of gig workers.
- While the central government has covered gig workers in the social security code that was passed by the Parliament in 2020, it has not been implemented as the government has yet to frame the rules.

Gig Economy

- The Gig economy, also known as the freelance economy or on-call for economy, refers to a labor market characterized by short-term, flexible work arrangements.
 - The gig economy is about individual workers carrying out tasks for clients through the intermediation of a platform on a task-by-task basis.
- **Gig employees:** NITI Aayog defines 'gig employees' as the ones engaged in work outside of the traditional employer-employee arrangement.
 - NITI Aayog's file titled '**India's Booming Gig and Platform Economy**' defines a gig worker as
 - "someone who engages in income-earning activities outside of a traditional employer-employee relation, as well as in the informal sector".
 - Additionally, it defines those working with platforms which include Ola, Uber, Dunzo, Swiggy, Zomato and Urban Company as platform workers.

Recent trends in India

- In the past few years, particularly after the Covid-19 pandemic, there was a pointy upward push in the number of people engaged in gig work, according to labour rights experts and activists.
- According to the NITI Aayog, 77 lakh (7.7 million) workers had been engaged in the gig economy in 2020-21 and the group of workers is expected to "extend to 2.35 crore (23.5 million) workers by 2029-30".

Significance of the sector

- The gig economy is based on short, or freelance jobs, regularly regarding connecting with clients or clients through a web platform.
- The gig economy can benefit workers, groups, and purchasers by making work more adaptable to the needs of the hour and the demand for flexible lifestyles.
- **Time flexibility:** Workers operating in the gig economy are allowed to work any of the hours they choose.
- **Income flexibility:** It is an increasingly more attractive market due to the sheer flexibility that permits workers to earn more earnings.
- **Size of the sector:** According to the report, 47% of gig workers presently are in medium-skilled jobs, 22 percent in excessive-skilled, and about 31 percent in low-skilled jobs.
- Drivers and sales folks accounted for greater than 52 percentage of the gig workers in 2019-20.
- When employees are labeled by way of industries, the file stated that 26.6 lakh gig employees had been concerned in retail trade and income in FY20, and about thirteen lakh were in the transportation sector.
- Roughly 6.2 lakh individuals had been in production and some other 6.3 lakh in the finance and insurance activities.

Challenges/Issues

- **Long operating hours:** Almost a third of app-based cab drivers work for over 14 hours a day, even as more than 83% work more than 10 hours and 60% work over 12 hours.
- **Reflects caste equations:** It noted that social disparities make the situation worse, with over 60% of the drivers from Scheduled Castes and Tribes running for over 14 hours an afternoon, at the same time as best 16% from the unreserved class work such long hours.
- **Low pay:** The study record says that over 43% of individuals in the study earn less than ₹500 a day or ₹15,000 a month, after deducting all their fees.
 - 34% of app-based delivery workers earn much less than ₹10,000 a month, whilst 78% of them are spending over 10 hours each day at work.
- **Demographic traits:** Out of 5302 cab drivers and 5028 transport men and women across eight cities participated in a 50-query survey, seventy eight% of the respondents were in the age group of 21 to 40 years.
- **Risky commercial enterprise:** Due to the annoying work hours, the drivers are physically exhausted, and exposed to an increased hazard of street traffic injuries, especially due to the '10-minute delivery at the doorstep' policy of sure e-commerce systems.
- **Expenses exceed income:** While 72% of the cab drivers stated that they face trouble in handling costs, 76% of the transport humans are suffering to make their ends meet.
 - 68% of cab drivers' responses even show that their ordinary expenses exceed their income, which imply how a significant variety of app-based workers might be in debt-like situations.
- **Huge deductions:** 35% of the respondents mentioned the corporations are deducting between 31-40% of fee charge according to experience, even as the officially claimed figure with the aid of the organizations themselves is 20%.
- **Customer misbehavior:** Customer behaviour affects a massive majority (72%) of drivers in a terrible manner, whilst 68% of transport humans are reportedly stricken by it negatively," the file said.
- **Inability to take leaves:** It added that forty one% of the drivers stated they may be unable to take even a single day without work per week; 48% of transport persons too pronounced their incapability to take a weekly off.
- **Issue of ID deactivation:** A glaring 83% of the drivers suggested that the difficulty of ID blocking off influences them negatively, 47% said that this trouble more ordinarily influences them. In the case of delivery persons, this percentage is even higher at 87%.

Way ahead

- The gig economy is a growing trend, with many human beings interested in the power and freedom it gives. But an ok regulatory mechanism in the area is the need of hour.
- The gig economy is right here to stay, and for many, it offers an ideal work style with flexibility and autonomy. But it additionally comes with demanding situations like income insecurity and absence of benefits, which desires to be handled together with the aid of the government, private sector and civil society.

Source: The Hindu

UPSC Mains Practice Question

Q.Examine the role of 'Gig Economy' in the process of empowerment of women in India. (2021)