

SERVICE BASED PLATFORM WORKERS: RESHAPING CAREERS -A STUDY WITH REFERENCE TO MANGALURU CITY

Dr. Avitha Maria Quadras ¹✉

¹ Associate Professor & HOD, Department of Commerce Government First Grade College, Punjalakatte, Belthangady, India



Corresponding Author

Dr. Avitha Maria Quadras,
santhoshavithapinto@gmail.com

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ABSTRACT

India off-late has been witnessing a fundamental reorientation in its work culture. Fourth Industrial revolution and the presence of a multi- generational workforce with varied requirements have been a catalyst to the same. On one hand, concept of virtual reality, flexi-time, flexi-workspace and flexi staffing became a reality for few, while on the other many industries were not doing well. A transition was observed. Numerous contract or part-time jobs in the delivery, home services, food and beverage, and e-commerce sectors have evolved. These positions are ideal for freelancers and individuals seeking short-term projects. These employees called gig workers have become a part of developing India and are contributing in an immense manner to the gig economy. Interestingly both the unskilled and skilled workers together sought relief in the gig economy. In the light of the above the present paper tries to understand the concepts of gig economy, gig workers and platform workers. The researchers further try to study the problems and challenges faced by the platform workers in Mangaluru City.

Keywords: Gig Economy, Gig Workers, Platform Workers

1. INTRODUCTION

Rapid digitization has led to the disruption in the labour market. Economy is witnessing a paradigm shift in workforce, workplaces and work platforms in the age of Tech Next- Gen. Technology played a crucial role in galvanizing the scope of independent work irrespective of the geographical boundaries. Independence & Flexibility has become the new work mantra which has redefined the meaning of labour. This so-called Flex or GIG economy has always been prevailing, but it grabbed eyeballs quick expansion over the past couple of years.

The evolving needs of today's working populace, the war for talent and the globalization of the workforce are just a few reasons to kick start the GIG economy in a big way. Due to the rise in urbanization and technological advancements, more people are preferring flexible, independent work arrangements over traditional job patterns. All of these forces are driving workforce management to the top of the business agenda, especially as talent becomes a true differentiator for organizations. The gig economy is at a relatively nascent stage in India, but growing rapidly in Indian Labour market. Hence, it becomes important that the government should act as a facilitator and join hands with Industry and Academia by enabling various new platform for students, IT professionals and start-ups to interact with established corporates,

leading technology companies and industry mentors to build collective capabilities for the industry to deliver on platform enabled technologies.

2. CONCEPTUAL FRAMEWORK

GIG Economy: The term “gig” is a slang word for a job that lasts a specified period of time; it is typically used by musicians. Examples of gig employees in the workforce could include work arrangements such as freelancers, independent contractors, project-based workers and temporary or part-time hires. As there is no employer-employee relationship, the gig workers are not tied to any particular employer and therefore have greater flexibility in terms of the work they can choose and the hours they dedicate. Businesses have flexibility when they are not dependent on a set of employees for executing tasks, and additionally benefit from avoiding the cost of social security and fixed remuneration provided to employees. The service sector fuelled by digital economy has been the most resilient segment of the gig economy.

The gig economy is a job market which consists of short-term or part-time work done by people who are self-employed or on temporary contracts. Section 2(35) of the Code on Social Security 2020 defines a gig worker as a person who participates in a work arrangement and earns from such activities outside of a traditional employer-employee relationship. As per the World Economic Forum, gig economy is defined by its focus on workforce participation and income generation via “gigs”, single projects or tasks for which a worker is hired. The Gig Economy in India refers to the trend of individuals working temporary or flexible jobs, often through online platforms such as Uber, Ola, Swiggy, and Zomato. This type of work has grown in popularity in recent years as it offers more flexibility and independence for workers, and can be a cost-effective solution for businesses. However, there are also concerns about the lack of job security and benefits for gig economy workers. The gig economy in India is expected to continue to grow in the future, but it should also be backed by government regulations and policies to protect workers' rights and ensure fair treatment.

GIG Worker: According to a NITI Aayog report on 25th June 2022, “Gig workers – those engaged in livelihoods outside the traditional employer-employee arrangement – can be broadly classified into platform and non-platform-based 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 and own-account workers in the conventional sectors, working part-time or full time”. The term “gig worker” refers to someone who takes on a temporary work to be completed in a specified time in non-standard work arrangement. On the other hand, “platform workers” in general means those workers who works for businesses providing services using web-based platforms directly to the consumers.

According to The Code on Social Security, 2020 [Section 2(35)], a gig worker is defined as ‘a person who performs work or participates in a work arrangement and earns from such activities outside of traditional employer-employee relationships.’ Gig workers can include freelancers, independent contractors, and contingent workers. Even a part-time professor can be considered a gig worker.

Platform Work: Platform work means a work arrangement in which an organization or an individual uses online platforms to provide goods and services to consumers. For example, Uber, Ola, Zomato etc. The Code on Social Security 2021 defines platform work as a work arrangement outside the traditional employer-employee relationship in which organisations or individuals use an online platform to access other organisations or individuals to solve specific problems or to provide specific services in exchange for payment.

Platform Worker: Section 2(61) of the Code on Social Security defines a platform worker as someone engaged in or undertaking platform work. A platform worker is a worker who provides specific services using an online platform directly to individuals or organisations. Examples of platform workers can include drivers for ride-sharing apps or delivery agents for food delivery apps. In general, platform workers are the most visible and vulnerable faces of the gig economy. The gig work includes platform work also and often these terms are used interchangeably. For the purpose of our study, we have collected data only from platform workers.

The gig economy is predicted to be a significant building block in achieving India's aim to become a \$5 trillion economy by 2025. The Indian gig workforce is expected to expand to 23.5 million workers by the year 2029-30, which is nearly a 200% jump from the current 7.7 million, a NITI Aayog report, ‘India’s Booming Gig and Platform Economy’, has revealed. As per an Aon survey—‘Decoding the Gig Economy’, 49% of the 145 companies have already employed gig workers and 65% plan to increase this number over the next two to five years. Hence, there is a vast potential for job seekers in blue, white, and grey collar jobs, it said. The gig economy is predicted to be a significant building block in

achieving India's aim to become a \$5 trillion economy by 2025, the reports indicated. This would help in bridging the income and unemployment gap. The Indian gig economy has the potential to serve up to 90 million jobs in the non-farm sectors of India (which is around 30%) with the potential to add up to 1.25% to

India's GDP through efficiency and productivity gains alone, a study conducted by Boston Consultancy Group (BCG) said.

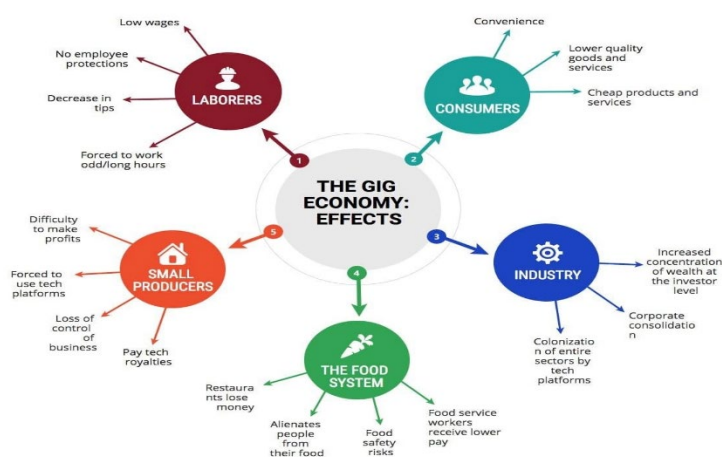
3. STATUS OF THE GIG ECONOMY IN INDIA

Market Size: The gig economy in India is rapidly expanding. In 2020-21, there were about 7.7 million gig workers, projected to grow to 23.5 million by 2029-30.

- This sector includes a mix of low, medium, and high-skilled jobs, with a significant portion in medium-skilled roles.
- Key sectors driving the growth of the gig economy include e-commerce, transportation, and delivery services, all benefiting from the increasing demand for flexible work arrangements.

Driving Factors:

- **Digital Penetration:** India has over 936 million internet subscribers in India, with rapid growth in rural areas. This widespread internet access provides a strong foundation for the gig economy. Around 650 million smartphone users, with decreasing smartphone prices making it accessible to lower-income groups and expanding internet usage.
- **Startup and E-commerce Growth:** The rise of startups and e-commerce requires flexible workers for content creation, marketing, logistics, and delivery, fueling gig economy growth.
- **Consumer Demand for Convenience:** Increased demand for quick services like food delivery and e-commerce in urban areas creates opportunities for gig workers in delivery and customer service roles.
- **Low-Cost Labor:** A large pool of semi-skilled and unskilled labour willing to take gig work, driven by a lack of formal employment opportunities, allows platforms to offer low wages and poor working conditions.
- **High unemployment, underemployment, income disparities, rising living costs, and limited social security** drive people towards gig work as a survival and growth strategy.
- **Changing Work Preferences:** Younger generations prefer work-life balance and flexibility, opting for gig work that allows project selection, flexible hours, and remote work.



3.1. OBJECTIVES OF THE STUDY

- 1) To understand the concept of gig economy and gig workers;
- 2) To study the socio-economic background of platform workers;

- 3) To identify the reasons for taking up platform job;
- 4) To identify the problems and challenges faced by platform workers.

Research Methodology: Primary data was collected through structured telephonic and personal interviews between November to December 2023. The sample was developed using the snowball method, whereby the initial interviewees helped connect with more individuals in their circles. The total number of respondents were 67 individuals working across different platforms in Mangaluru City. The platforms selected were cab riding, food delivery, grocery delivery, and online shopping platforms. These platforms include Ola, Zomato, Swiggy, Amazon, Flipkart, and Big Basket. From each platform, at least 10 workers were interviewed. Secondary data was collected from websites, journals and online resources. The data collected was analyzed through simple statistical techniques like frequencies and percentages with respect to the objectives of the study.

Data Analysis Table 1.1 Socio-Economic Variables:

Socio-Economic Variables	Options	Frequency	Percentage
Gender	Male	64	95.52
	Female	3	4.48
Age	Below 25	17	25.37
	25-40	42	62.69
	Above 40	8	11.94
Qualification	Below SSLC	23	34.33
	PUC	18	26.87
	Graduation	8	11.94
	Post Graduation	5	7.46
	ITI/Diploma/other technical courses	13	19.4
Native/Domicile	Local	45	67.16
	Intra-State	13	19.41
	Inter-State	9	13.43
Marital Status	Married	41	61.19
	Unmarried	23	34.33
	Divorced/Separated	3	4.48

Source Field Survey

It can be inferred from the above table that majority of the respondents were male (95.52%). A vast majority of the respondents were in the age group of 25-40 years (62.69%). The data shows that majority of the respondents were having a qualification of below SSLC. It was interesting to note that most of the respondents were localities (67.16%). Out of the 67 respondents interviewed 41 were married.

Table 1.2 Reasons for taking up platform work

Reasons	Frequency	Percentage
Flexibility and freedom	15	22.39
To get better earnings	8	11.94
Bad experience in the previous job	18	26.87
Lost previous job	11	16.42
Suffered business loss	5	7.46
Easy/Less Stressful Job	10	14.92

Source Field Survey

It is clear from the above table that 26.87% of the respondents selected platform work because of the bad experience they had in the previous job followed by flexibility and freedom from platform work (22.39%) and 16.42% of the respondents entered gig work as they lost their job. The other reasons stated by the respondents were easy/less stressful job (14.92%), to get better earnings (11.94%) and a few respondents (7.46%) opined that they entered platform job as they suffered business loss.

Table 1.3 Platform worked for:

Type of platform	Frequency	Percentage
Food Delivery	27	40.30
Grocery Delivery	14	20.90
E-Commerce	19	28.36
Cabs (Ride Hailing)	7	10.44

Source Field Survey

It is evident from the above table that most of the respondents were involved in food and e-commerce followed by grocery delivery. It is interesting to note that few respondents were providing cab driving service.

Table 1.4 Work for multiple platforms

Work for multiple platforms	Frequency	Percentage
Yes	4	5.97
No	63	94.03

Source: Field Survey

Table 1.4 represents response given by the respondents with regarding to working for multiple platforms. It is clear from the above table that a vast majority of the respondents work for a single platform.

Table 1.5 Qualification suits the job:

Qualification Match	Frequency	Percentage
Yes	17	25.37
No	50	74.63

Source Field Survey

Table 5 shows that many platform workers consider their qualifications does not match the job requirements.

Table 1.6 Sufficient time for household duties

Time for household duties	Frequency	Percentage
Yes	37	55.22
No	30	44.78

Source Field Survey

Table 1.6 reveals that workers working for food delivery platforms and cab riding opined that they have long working hours that do not allow them to help with household work. On the other hand, workers associated with e-commerce delivery platforms find time to discharge their household duties.

Table 1.7 Number of earning members

Number of people having income	Frequency	Percentage
Just me	36	53.73
2 people	17	25.37
More than two people	14	20.90

Source Field Survey

Table 1.7 shows that over 53.73% of the respondents are the sole income earners in their families. Therefore, there is a need to protect platform workers from exploitation to ensure decent pay with necessary benefits.

Table 1.8 Criteria used for Salary Fixation:

Base for Salary	Frequency	Percentage
Fixed	3	4.48
Tasks performed	39	58.21

Time worked	14	20.90
Combination of task and time	7	10.45
Not specified	4	5.96

Source Field Survey

The above table shows that tasks performed by the workers is the important base of determining salary as opined by the respondents (58.21%). 20.90% of the respondents opined that time worked and 10.45% opined that combination of task performed and time worked was the base for determining their salary.

Table 1.9 Satisfaction about wages/salary

Satisfaction Level	Frequency	Percentage
Satisfied	49	73.14
Dissatisfied	18	26.86

Source: Field Survey

It is interesting to note that majority of the respondents were satisfied with the wages paid for their work. And only 18 respondents were dissatisfied.

Table 1.10 Problems faced while working as a platform worker

Problems faced	Frequency	Percentage
Long working hours	22	32.84
Technical and network issues	11	16.42
Poor treatment by customers	17	25.37
No quick response by the customers	5	7.46
Negative Customer Feedback	7	10.45
Fuel Costs	5	7.46

Source Field Survey

It is evident from the above table that long working hours was a major problem faced by the platform workers (32.84%), followed by poor treatment by customers (25.37) and technical and network issues (16.42%). Respondents stated that no quick response by the customers and fuel costs were not the major problems faced by them.

Table 1.11 Challenges encountered:

Challenged encountered	Frequency	Percentage
Payment Issues and Income Instability	11	16.42
Social Stigma/Lack of Recognition	5	7.46
No Job Security and Lack of legal protection and Social Security	28	41.79
Stressful Job & Low bargaining power	9	13.43
Managing Customer Expectation	14	20.90

Source Field Survey

The above table indicates that no job security, lack of legal protection and social security were the major challenges faced by the platform workers (41.79%). Respondents also opined that they find it difficult to manage customer expectations (20.90%). Overall, the above challenges make it difficult for platform workers in Mangaluru city to work without stress and plan for their future, despite the growing demand for platform workers in the country.

4. LIMITATIONS OF THE STUDY

- The present study was limited to only selected platform workers of Mangaluru City.
- As the study is perceptive the findings cannot be generalized.
- Because of the paucity of time the sample selected is small.
- The study used only simple statistical tools for the purpose of analysis of data.

- **The Future of Platform Economy:** A Research Agenda: Being in its nascent stage, the platform economy in India is yet to be studied comprehensively. Key aspects of the platform economy that need to be studied:
- **Survey of Small Platforms:** The functioning and issues of small platform businesses are not the same as those of their bigger counterparts. It would thus be important to study the unique features, needs and challenges of small platforms.
- **Women-run Platforms:** Greater data is needed to understand the difficulties faced by women-run platforms. Extensive research into this domain would help design incentives to promote their growth and help them scale up.
- **Are Platforms leading to Formalization of Employment?** Even as various studies have recognized the employment generation potential of platforms, it may be of interest to explore if the use of technology and other new mechanisms in platforms is leading to formalization of employment.
- **Contribution of the Platform Economy to India's GDP:** Using the estimates for growth and size of the gig and platform sector, its contribution to India's GDP must be determined. This exercise may also enable India to unpack the pace at which platformization is occurring across industries and what enablers and barriers might be causing the same.

5. CONCLUSION

The Economic Survey 2021 has appreciated the role played by gig economy in terms of service delivery and provision of employment to the labour force in the pandemic period. This sector holds out huge promise especially in the context of governments' push towards digital economy through Digital India. It is true that the freelance nature of the work and other attributes may not strictly fit into the traditional employer-employee matrix. But that does not mean the labour should be left for exploitation and suffer from poor working conditions.

The increasing demand for platform workers and the rise in participation of platform workers, especially the youth indicate that the gig economy in India is gaining popularity. The top three sectors driving the gig economy in India are ride-hailing, e-commerce, and food delivery and grocery delivery. The Government is also taking steps to address some of the challenges faced by gig workers. Collaboration between the Government, employers, and workers' organizations is needed to ensure that gig workers are able to enjoy their rights and access the benefits they are entitled to. Though, there are still significant gaps in the protection provided to gig workers, and many workers remain vulnerable to exploitation and abuse. The future of the gig economy in India is bright, as the country is expected to see continued growth in the number of gig workers and the range of services they offer. It is in the interest of all stakeholders; the promoters, management, workers, the shareholders the consumers and others that adequate concrete measures be adopted for a win situation for all.

Gig and platform work in India can ease the unemployment rate due to the low barriers of entry for the workers. Nevertheless, this may not be the case due to the informal nature of work which does not allow for decent pay and employee benefits. To ease this, the Government of India has introduced the Code of Social Security, 2020. However, academics and experts claim that the Code of Social Security's very structure indicates ineffectiveness since it fails to address the critical problems in platform work. On the other hand, the Code on Social Security is the first instance where the Government of India has acknowledged that gig and platform workers must be recognised as employees. Finally, the data collected across ten platforms in Mangalore shows that most are the sole breadwinners of their families and have the highest incomes in their families. Thus, it is now abundantly evident that there is a need for workers' economic rights to be protected. With guaranteed decent work, India's gig economy could be an effective solution for its economic troubles.

CONFLICT OF INTERESTS

None.

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None.

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