

# A STUDY OF “PUSH OR PULL”, “PLUG IN AND PLUG OUT”, EMPLOYMENT ISSUES AND RELEVANCE OF PROPOSED “INDIAN LABOUR CODE ON SOCIAL SECURITY, (2020)” FOR GIG EMPLOYEES

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## ABSTRACT

*The employment scenario in India is undergoing a tremendous transformation. Despite the country's high unemployment rate gig and freelance jobs have made the country's job market vibrant in the last three years. In fact, the gig economy has evolved to the point where it now accounts for about 56% of all new jobs created in the country. The rapid growth of information and communication technology such as the internet and the widespread use of smart phones have resulted in a dramatic change in supply chain management and consumption of products and services, resulting in a paradigm shift in the worker, work, and workplace. As a result, digital technology-based on-demand platforms have created jobs and employment that vary from existing traditional, offline employment in terms of accessibility, convenience, and price competitiveness. In general, "job" refers to a full-time employee who works fixed hours and receives benefits, however, as economic conditions and technology changed the concept of employment started to shift, resulting in a new category of work force characterized by autonomy, platform based, contractual, networked, gig, part-time, and on-call or on-demand. Present research paper critically analyses whether gig employment is hallucination, tries to explore whether it is push or pull, plug in and plug out and at the same time tries to identify different attribute of push and pull and plug in and plug out. Study in its endeavor analyses and identifies different employment issues, ambiguity of employment, quality of work life, sufficiency and relevance of employment laws in context to gig employment. Recently Central Government of India has enacted Labour Code on Social Security (2020), which includes some provisions for gig and platform workers. Paper in its exertion tries to discover whether it has worth or just eyewash and simultaneously research study explores complete ecosystem and domain of gig employment and with lessons learnt from rest of world and suggests how to ameliorate overall well-being of gig employees.*

**Keywords:** Gig employment, Labour Code, Social Security, Platform workers, Network workers, On-call workers.

## INTRODUCTION

The gig economy is focused on jobs that are flexible, temporary, or freelance, and often involve interacting with clients or customers through an online platform. Independent contractors, online employees, contract workers, on-call workers, and temporary workers are all examples of gig workers. On-demand employees sign formal agreements with on-demand firms to offer services to their customers.

Temporary, flexible positions with short term contract are popular in the gig economy, and businesses choose to hire independent contractors and freelancers over full-time permanent workers. It frequently entails interacting with customers through an online platform, for example, app-based food delivery boys, consultants, and bloggers. The platform work market is often referred to as the gig worker economy, but the word "gig economy" encompasses platforms as well with other temporary, independent contractors, contract and on-call workers.

Despite being a late comer, India has emerged as one of the world's largest countries for gig work or flexi-staffing, with an estimated population of almost eight million. According to consulting giant, Boston Consulting Group (BCG) and the Michael & Susan Dell Foundation, the Indian gig economy is expected to triple to over 24 million jobs in the non-farm sector over the next four years. As per Associated Chambers of Commerce and Industry of India (ASSOCHAM), the Indian gig economy will increase at a compound annual rate of 17% between now and 2023, from over \$300 billion to over \$455 billion. Gig workers have been able to drastically increase their reach by enrolling with technology platform-based organisations. Such technology driven companies across sectors are like e-commerce companies (Amazon, Flipkart, etc); food and beverages companies (Zomato, Swiggy, etc); transport companies (Uber, Ola, etc); and home services companies (Urban Company, House joy, etc.) among others.

India's 8 million gig employees may be insignificant in comparison to the global gig economy's 200 million workers. However, even in India, the gig economy is not a new concept. Painters, carpenters, electricians, and a wide range of other professionals have essentially been gig workers for decades. They used to reach out to potential clients through word of mouth or through contacts or agencies in the past.

After the great recession of 2008, most organizations began to factor cost into their competitive strategy. The current Corona pandemic has exacerbated this tendency. As a result, businesses have begun to reduce the number of full-time staff and focus on enhancing operational efficiency. In the gig economy, organizations save money on things like provident funds, maternity benefit, bonus, paid leaves, fixed assets like bike, taxi, smart phone and office space. Firms are exploring benefit from short-term contracts since they avoid long-term commitments.

A significant number of people work part-time, temporary, or as independent contractors in a gig economy. It is an undeniable fact that the emerging economy offers tremendous opportunities and benefits, such as the development of new job systems, increased efficiency, and enhanced access to goods and services, but it does so at a cost. The gig economy is projected to expand even further in the coming years; eventually a significant percentage of the economy will have contribution from it. It is part of a larger trend of casualisation of jobs as businesses transition in the digital era. Many sectors have tremendous untapped potential for crowd sourcing firms, which will result in an increase in the number of gig or platform employees needed, an exact calculation of number is difficult as its size is huge and at the same crowd sourcing firms do not want to disclose its figure.

Proposed labour code of Government of India "The Code on Wages-2019" establishes a universal minimum wage and floor wage for all workers, including gig workers, in both organized and unorganized sectors. Gig workers are recognized as a new occupational category in the code. It defines a gig worker as someone who works or participates in work arrangement outside of the usual employer-employee relationship and makes money from it.

Gig workers will be entitled for social security benefits like health and insurance under the unorganized labour category with proposed labour code of Government of India, "Code on Social Security-2020". In addition, gig workers would be paid a contribution of 1-

5% of an aggregator's turnover. A Social Security Fund will be established to provide death and disability insurance as well as old-age benefits. There is a lot of expectations from the code and its outcome can be understood after its implementation.

The Indian gig economy has multiplied in recent years, and the industry has enormous potential in the years ahead. Unfortunately, the majority of Indian gig workers are dissatisfied. They lament that the dreams of more incomes and more free time marketed to them by platform businesses have turned sour after a promising start. The majority of gig workers admit that they were first paid well. However, when rivalry among digital platform businesses heated up, they increased the fee paid by gig workers to their individual platforms for bringing in business. The incomes of gig workers were dramatically lowered as a result of this. Furthermore, rising gasoline costs, low wages, ambiguity in employment terms and conditions, lack of social security and welfare and other issues have forced gig workers to work long hours in 24\*7 mode order to make ends meet.

## LITERATURE REVIEW

In order to conduct research in gig economy, it was imperative to conduct a literature review to provide a fundamental framework for the development of possible constructs. This research is exploratory in nature so gig economy literature review is of paramount significance, as it establishes the foundation and evaluates the knowledge and effort done by predecessors in this field, thereby defining the research need. The literature review in this study has been classified and put under a certain subject so that it is logical and meaning can be extracted from it.

### Gig Economy Domain

As per Stewart & Sandford (2017)' main characteristics of the gig-economy include, workers are subject to flexible working pattern based on demand for the service; workers have their own place of work; tasks are conducted over an online platform; and usually a triangular like relationship exists between the employee, the end-user, and a digital intermediary. According to Huws et al. (2016)' generally there are four broad types of platforms or gig work: higher skilled innovative and IT activities that can be performed from anywhere; low-level routine work that can be performed from anywhere; manual service work performed on customers' premises; and work that includes driving or delivering. Brinkley (2016), described gig work as work done by connecting customers and clients through a digital platform. Stewart & Sandford, (2017) identified it as "crowd sourcing," "sharing economy," and "collaborative economy". De Stefano, (2017), identified Uber, TaskRabbit, Amazon Mechanical Turk, Deliveroo, Sharing Academy, Crowdsourcing, and Crowdfunder are several well-known gig-economy firms.

### Compulsion for GIG-Work (Push Factor)

According to Balaram et al. (2017)' people's choices to operate in the gig economy have been influenced by both push and pull factors. As per Deloitte (2017)' it is particularly the case for "Y" generation of whom one third have a preference for freelance type work compared to full-time employment. Schneider & Enste, (2013) , explores, rising level of unemployment led to increasing in attention to the gig economy. CIPD (2017)' data has suggested that 14% of workers became engaged in gig work as they were unable to find traditional full-time work. As per Sinek, (2016)' when the literature is reviewed, the push factors, such as a lack of options, are often viewed as a secondary factor why people chose to work in the gig economy, but for generation "Y", in particular, have been believed to have

been forced into gig economy because they are unfit for the conventional workplace due to a lack of interpersonal communication skills and face-to-face communication. As per Brown, (2017) people were allegedly forced into the gig economy by 2008 recession, due to a lack of options and opportunity to operate in conventional employment relationships.

According to Greene & Mamic (2015), the growth of this digital economy and casualisation of workforce since 1990s has arguably led to the global economic recovery and provided job opportunities for those who would otherwise be unable to work. This labour supply is particularly critical in places where people would otherwise be unable to find jobs. According to Odgers, (2017) it could be argued that gig work is preferable for unemployed, despite the fact that it is not perfect. As per Brown, (2017), job potential for generation "Y", who have been struggling to find jobs in ways that previous generations did not necessarily have. As per Huws et al. (2016), gig economy lends credibility to the belief that the gig economy offers unemployed people an alternative source of income. This may indicate that this is a means of employment out of necessity rather than choice. Owing to a lack of career direction, the bulk of these jobs participate in several platforms rather than specializing in one type of job. Burtch et al. (2016) explains that many people may begin to wonder why they would want to work in traditional jobs when there are so many other options. Other sources argue that the gig economy can discourage entrepreneurship by acting as a substitute rather than a complement to higher-quality entrepreneurship

### **Desire for GIG-Work (Pull, Plug – in, plug-out)**

According to Mishel (2015) opinion, people are more likely to be attracted to join the gig economy because of the benefits it provides, rather than being pressured to do so. Many people are constantly joining and remaining in this market, and it is obvious that it offers a plethora of benefits to employees. According to recent estimates, only 6% of gig staff in the United Kingdom receives 100% of their total income, indicating that the majority are not financially reliant on this form of job. According to Farrell & Greig, (2017) many people only use gig work as temporary employment. This only explains reality, why certain industries have such a high turnover rate. Kowske et al (2010), illustrates, today's world, past perceptions of job stability and the notion of staying in a job for life are no longer valid. According to Huws et al. (2016), the gig economy is used as a compliment to workers' regular income and as their sole source of income is something else. According to Brown (2017), the lack of guaranteed pay may not be as unfair as it seems, considering that few people depend on it as their primary source of income. Some research shows that the pay earned is sufficient for a decent standard of life, but this is so regardless of working hours.

As per Farrell & Grieg, (2017) opinion, a growing number of people are not confined to one job but do several jobs and people doubt the gig economy's long-term viability and treats it as an instrument for plug-in and plug out. Kalleberg, (2009) states, technological advances also aided in the expansion of the gig workforce. As per Horney, (2016) while this market has existed to certain extent, tech-enabled online platforms have transformed it. Deloitte (2017) has proposed that some people prefer non-traditional modes of work for three reasons: the weak economy, the growing number of alternative opportunities, and increased freedom as a result of technological advancements. Horney (2016) in his research to date the gig economy has experienced exponential growth, and the employment relationship is evolving. Smola & Sutton, (2016) flexibility is becoming increasingly important to young generation; they are more likely to embrace jobs with flexible schedules and place a higher importance on it than previous generations. As per Kauffman, (2015) young generation; have a clear desire for higher income, a pull factor for joining the gig economy; they are less

concerned with job stability but an inclination towards entrepreneurship, and entrepreneurial training, and they change jobs more often. According to Dyal-Chand, (2015) the way people can work has changed dramatically, bringing with it both opportunity and risk. Digital technology has been used by businesses to generate effectiveness and efficiencies.

Burtch et al., (2016) mentions gig employment has potential to boost economic growth and welfare by increasing worker productivity, stimulating demand, and fostering creativity and entrepreneurship. According to Dobson, (2017) gig economy has opened up new job opportunities that are tailored to the needs and circumstances of many people, especially the generation “y”. This backs up the notion that employers see significant benefits. The majority of gig work is extremely adaptable. As per Burtch, (2016) , both employers and workers would benefit from the degree of flexibility provided. Academics emphasize this degree of flexibility, with workers being able to distribute their time and resources as per their convenience. As per Emir & Selwyn, (2016) gig employment is in accordance with labour laws, which give self-employed employees the freedom to accept or refuse and option to join and quit without much of entry and exit barrier.

According to Adkins, (2016) in comparison to previous generations, “Y” generation have adapted and developed a new mindset, and they are often content with a lower degree of job security. The gig economy is appealing due to a lack of corporate loyalty and openness to short-term jobs. According to Shah & Tripsas (2007), the platform's potential to foster entrepreneurship could be appealing. Worker flexibility and the freedom to work when and where they want, combined with a steady income, allows them to pursue other interests at the same time. According to Brown, (2017), this has piqued the interest of teenagers, who grew up in the era of transformative start-ups.

As per Parker (2017), this type of employment partnership is thought to be preferred by the “Y” generation. This means that the gig economy and the tastes of the “Y” generation are compatible, and that they might have a different outlook as a result. The gig economy would be preferred by certain groups. According to Burtch et al. 2016) although gig employment is proving beneficial, in particular for those individuals with weak engagement to work and the same time highly educated.

As per Hershatter& Epstein (2010) these characteristics are all linked to the gig economy, either positively or negatively. Growing up at the dawn of the technological age, “Y” generation is digitally engaged. As a result of its online platform component, the gig economy can frequently provide the opportunity for millennial to put their skills and abilities to use

## Drawbacks of Gig Work

As per Emir & Selwyn, (2016), jobs in the gig economy are at risk due to the nature of their working relationship. People in this gig economy have less autonomy and more responsibilities than self-employed workers, but they have fewer rights. According to Rogers, (2016) due to lack of firm employment status, many people are concerned with unequal bargaining power among employees. According to Taylor (2016) the employers often have more power than the employees, causing employees to suffer. Without a safety net of protective laws, many people suffer from low wages and unsafe working conditions. As per Rogers, (2016) frequently, these types of employment relationships are established without full legal consideration resulting in controversy surrounding their legal status and finally platform and crowd funding companies taking advantage of their situation.

According to De Stefano, V. (2015), gig economy leaves workers unprotected for large number of employment rights, with no health insurance, pension plans, statutory sick pay, maternity leave and other basic benefits that a standard employer-employee relationship

provides. According to Aloisi (2016) many employees' contractual independence has dwindled over a period time, hence the term "skimming economy". According to Taylor (2016), unfair wage deductions, unfair dismissal, and unfavourable terms and conditions of employment, classifying gig employees as self-employed, are some of the most common employment issues of gig economy.

As per Cherry & Nicot, (2009) one of the key benefits, as previously said, is versatility and flexibility. This, however, can be exaggerated and unsustainable, as fierce competition for jobs in some markets forces employees to work long hours, removing the flexibility that was sought. According to Gupta et al. (2014) this often entails working night shifts and other unsociable hours without additional pay or acknowledgment. LexisNexis (2017) states, working night shifts and other unsociable hours without extra pay or recognition is common. Lot of changes has occurred in the gig economy, resulting in creativity destruction, resulting in technology generating new employment and working conditions. Huws & Joyce, (2016) states gig employees' earnings make up a significant percentage of their total earnings. If this accounts for a large portion of a worker's pay, they are likely to become overly dependent.

According to Huws et al., (2016) these drawbacks are difficult to avoid if employees do not have an option because they are unable to find alternative jobs and employees can feel stuck and become increasingly dependent on their gig employment. The extent of instability maintained is a significant problem. This is often common with zero-hour contracts where workers will not know when they are next likely to work. Academic sources and media reports confirm the costs which gig- workers face is very high. The level of precariousness that has been sustained is a serious issue. As per Taylor (2016) nearly 3,500,000 gig-economy workers in the UK wished to work longer hours. As per Huws et al. (2016) this is related to income instability, which has an effect on people's personal and family lives due to the inability to predict working hours. When it comes to having a common voice and bargaining power, many workers lack the ability to communicate with one another. As a result, employees often have no voice in decisions, affecting workplace practices and employee rights.

Thorley and Cook (2017) expressed their fears, pointing out the problems that could occur as a result, such as the effect on mental health. This was due to low-paying jobs and job instability, both of which are factors often correlated with the gig economy.

## Legislative Options

As per Aloisi, (2016), gig employment can be used to bi-pass guidelines by functioning outside of the customary employment arrangements. According to Bergvall et.al (2014) it is evident gig economy has created and enhanced confusion over employment rights and responsibilities. According to Dayal-Chand, (2015) Policymakers should see the gig economy as a modern type of capitalism.

According to Horney (2016) the current regulatory framework simply does not address the problems that employees face. The question of how to control this employment relationship and identify the jobs within this industry is still being debated. As per Lewchuk, (2017) the gig-economy at present seems to undermine the current theory of what constitutes employees' rights and evades regulation. It has been suggested that gig work is similar to other forms of precarious work and therefore regulations could be applied in a similar way. According to De Stefano (2015) more legislation is required to protect the rights of gig employees. The problems surrounding these undefined workers must be resolved, and new rights must be created. BBC (2017) explains, the gig economy is not immune to law enforcement, as the recent Uber case demonstrated, with the courts taking action against the

company to protect workers' rights. As per European Parliament, (2017) anxiety has fuelled calls for more oversight. According to CIPD, (2017)' research, 63 percent of gig employees across all age groups agree the government should control the gig economy to ensure fairness and basic employment rights.

## RESEARCH OBJECTIVE

1. To study critically whether gig economy is a push factor or pull factor for workforce.
2. To study critically whether gig economy is a plug-in and plug-out for workforce.
3. To analyze critically ambiguity of employment status of gig workers in context to contract of employment or contract for employment.
4. To study relevance of social security, welfare and other legislations for gig employees especially in context to newly introduced Labour Code on Social Security (2020)" by Indian government “.
5. To identify different remedial measures taken/to be taken by different stakeholders like crowdsourcing companies, policymakers, lawmakers or government to ameliorate the economic condition, work life balance or overall well-being of gig employee in India.
6. To identify different remedial measures taken by policy makers, law makers or anyone who is directly or indirectly connected to gig employment in rest of world.

## RESEARCH METHODOLOGY

This is an exploratory research, based on secondary data and real-world experience from experts, academicians, scholars, HR consultants, and research institutions. Several individuals and organizations have conducted extensive research and shared their findings, which are publicly available and had been published in magazines, newspapers, journals, newsletters, research studies, books and digital source.

The researcher compiled available literature and other resources and tried to rationalize them in light of the existing social, economic, technical, and political context. Although there is a plethora of literature on the topic, there is a dearth of research on gig employment in context to India and hardly any research paper discusses about push and pull, plug-in and plug-out, economic and non-economic factors like work life balance, quality of work life of gig employment. This research paper tries to explore gig employment in context to Labour Code on Social Security & Welfare, (2020) and sufficiency of provisions of this act for gig employees in providing social security, welfare, employment and non-employment benefits. This research paper is an attempt of critical 360-degree analysis of gig economy and employment in Indian context and enhances the knowledge base.

### Gig Employment: Push or Pull, Plug-In and Plug-Out?

Literature review show lack of employment opportunities and requisite skills are most important attributes of push towards gig employment. Population outburst and recession due to subprime crisis of year 2008, Covid 2019 are considered critical factors of mismatch of demand and supply of labour force and supply side far ahead of demand. Product life cycle of most of product and services are very short and promoters also cannot predict life span, in most of cases they outsource merchandise or service and hire gig worker in form of part time or contract worker. Industries have fierce competition among rival manufactures or service provider forcing them reduce cost by hiring gig employees rather than providing full time traditional employment. Lot of business houses are operating on project model and demand of goods and services are sporadic in nature so employment is also not full term but on demand basis. With expansion of service sector and different consumers require these services not in continuous manner but in ad hoc basis, facilitated the growth of gig economy. Unemployment and low consumption are the few prominent reasons of development of gig economy. According a survey done by Centre for Monitoring Indian Economy (CMIE) data,

the unemployment rate at a very high level of 9.22 percent, with urban youth experiencing the highest levels of joblessness. Domestic consumption has decreased, industrial growth has slowed, private investment has decreased, and market instability has harmed employment. As a result, many undergraduates and diploma holders are turning to the gig economy to find work.

The biggest game changer in gig economy is advent of Information and communication (ICT) technology. Earlier for any business there were three main resources in form of physical, financial and human resources but now information is most dominant resource and companies harnessing on this resource ruling economy globally. Companies like Amazon, Ola, Uber, Swiggy, Zomato, OYO, Make My Trip hardly spend any money on acquiring physical resource but only on information. Crowdsourcing organizations, provide a platform for buyer and seller meet, thus facilitating gig economy. These organisations hire lot of gig workers in their supply chain management. Internet technology and spread of smartphone are supposed to be critical factor of success of gig employment as it facilitates buyer seller meet possible. Growth of nuclear and dual income family are always in need of gig workers for their chores work. With dual earning families in vogue, nobody has time to prepare food or go to market to purchase commodities so purchase of prepared food and other commodities from online platform is only choice, resulting in need of delivery boy for this action. A large section of work force lack knowledge, skill, ability, traits, right habits and motives for regular employment are forced to join gig workforce.

There are also pull factors for growth of gig employment. Millennial generation or “Y” generation workforces are very enthusiastic and enterprising, sometime due to flexibility, empowerment, autonomy, freedom, ownership, accountability attract work force for gig employment. There had been instances when individual beside regular employment opt for gig employment as top up on regular income. There had been a change in psychology of work force as they don’t want to work under anyone and abhor being controlled and dominated.

In gig employment workforce can remain highly mobile and work can be done from anywhere, anytime with flexible hours and control over how to work, when to work and for whom to work. The short-term engagements better fit for the workers to search for the best options. With gig employment workforce do not get stuck with routine work and earn extra income. Emergence of the millennial generation that values a flexible work schedule so strongly that it would be willing to give up higher pay and promotions for it. Gig employee generally work with multiple employers so feel there is less risk of job and income loss with multiple employers.

After analysis of literature, visualising the employment domain and circumstantial evidence it can be concluded that gig employment is hybrid model of push and pull factors. In some instances, it can be said some individuals are unwilling to join gig employment but are compelled to join gig employment but, in few cases, individuals are fascinated with gig characteristics and join workforce as gig employee.

### **Plug-In and Plug-Out aspect of GIG Employment**

It has seen that a part of workers join gig employment as a stop gap. When an individual has not a regular employment and aspiring for regular and more lucrative job option then they join the workforce as a gig employee and continue to work till the get a job of preferred choice. Due to this reason most of gig employers face a very high attrition rate up to 10% per week. It is similar to charging our electronic device like mobile and laptop, when the battery is low then an individual plug-in the charger and when it is charged then plug - out as per requirement. A similar phenomenon is visualised in gig employment and as



per requirement and convenience individual join or exit the gig workforce as there is hardly any entry and exit barrier. Some people join gig employment to have first experience and it has been noted gig employment is very much famous among college and university students to meet their day-to-day expenses. As entry and exit is very easy and basic requirement to act as gig employee delivery boy is to have a driving license, a two-wheeler, a smartphone and a valid identification card. For bloggers, content writers, bookkeeping professionals and software developers just need a system and internet connection to work as a gig worker. Since a lot of gig work can be done via online or cloud-based platforms, gig workers from all over the world are clamoring and competing for their slice in the gig economy. As per availability of work, assignment or project workforce plug in and plug out from gig employment. Any one facing livelihood problem or just want to increase his income level with his regular opt for gig employment and can full-fill their aspiration. It had been seen those who are forced or pushed feel trapped more frequently they plug in and plug out as per requirement and their convenience.

### **Ambiguity of Employment Relation under GIG Economy**

Gig workers hardly formulate any union; raise their voice against different stakeholders and different government show unwillingness in formulating any law related to gig economy. Because of the competitive nature of the gig economy, workers are often reluctant to collaborate in order to make a collective argument to enforce their rights; speaking out could jeopardize an individual's career due to the ease of ranking of gig employee and customer's high reliance on credibility.

The gig economy is constantly being discussed in political circles and have mixed reactions. European Parliament, in 2017 criticized gig economy for its failure to abide employment legislation to protect worker's rights. Often crowdsourcing companies identify themselves as a database provider that connects clients and employees, classify gig workers as self-employed, as a result, considered outside the conventional employment and these companies so called networks take advantage of loop-holes and circumvent regulations. Workers, unlike self-employed people, are entitled to a variety of benefits, including a national minimum wage, paid rest days, collective bargaining rights, and statutory holiday pay. The ambiguity of the legal definitions of gig employees has often resulted in improper classification of the employment status of individuals, has led the courts to decide and classify the nature of the employment relationship using a multiple test as a result self-employed employees are not covered by the labour laws. There must be an element of control which an employer has over an employee and some form of mutuality of obligations and it has taken into account, there is no fixed number of metrics that can be used to accurately confirm a person's employment status, so there is always ambiguity about the employment status of gig workers and most of time treated as self-employed and cannot demand employee rights and protection from labour laws.

With level of control and nature of work done it must be ascertained whether the employment relation is contract of employment or contract for employment. A contract of employment and a contract for services have distinct features. The individual is legally deemed an employee in a contract of employment. He/ she may be eligible to employee benefits such as paid time off, training, and health insurance, and is usually covered by state programmes such as worker's compensation and unemployment benefits as an employee. A service provider, on the other hand, is not an employee under a contract for services and is usually not eligible for any employer-provided benefits. The majority of service providers must pay their own taxes and insurance. Utilizing this analogy ambiguity related to gig employment can be cleared and it can be ascertained whether it is self-employment or there

exists an employer – employee relationship.

It had been seen in Indian context, Self Employed Women Association (SEWA), a member-based organisation, had been quite successful in providing unorganised BIDI (A type of local cigarette) workers, working from home and making BIDI for BIDI merchants and factory owners their rights related to social security, insurance, Provident Fund, maternity benefits, built up houses and even increase in wage rate. SEWA aided the employees in ending the sale-purchase system, in which factory owners purchased bidis from the workers and there was no employer-employee connection. In many cases, workers succeeded in achieving an employer-employee relationship, with identity cards issued to workers and service conditions formalized. Workers were able to establish an employer-employee relationship in many circumstances, with workers receiving identification cards and service conditions becoming more codified.

### **Provisions for GIG and Platform Workers in Labour Laws of India**

Labour Code on Social Security, (2020) is a code that amends and consolidates social security laws with the intention of extending social security to all employees and staff in all industries, whether organized or unorganized. The Social Security Code of 2020 includes unorganized industry, gig workers, and network workers in social security schemes such as life and disability insurance, health and maternity care, provident fund, and skill up gradation, among other things. The act combines nine central labour laws that deal with social security. For the first time Code on Social Security bill attempted to define platform workers in following words;

*“Platform work means a work arrangement outside of a traditional employer-employee relationship in which organizations or individuals use an online platform to access other organizations or individuals to solve specific problems or to provide specific services or any such other activities which may be notified by the Central Government, in exchange for payment.”*

Features of proposed Labour Code on Social Security (2020) reforms regarding gig/platform workers.

1. Universalization of social security: Social security for workers has been universalized and those even employed in the unorganized sector, such as migrant workers, gig workers, and platform workers, now have access to social security.
2. National Social Security Board: It proposes a National Social Security Board which shall recommend to the central government for formulating suitable schemes for different sections of unorganized workers, gig workers, and platform workers.
3. Voluntary schemes for Gig Workers: According to the bill, the federal or state governments can announce unique schemes for gig workers, platform workers, and unorganized workers to provide benefits such as life and disability insurance.
4. Social Security Fund: The government will establish a social insurance fund that will be financed by the federal and state governments, donations from gig workers and aggregators, the corporate social responsibility fund, and others. Gig/platform companies' contributions have been set at 1-2 percent of their annual turnover, but contributions do not exceed 5% of the amount paid to gig employees.

### **Lacuna in Labour Laws Coverage for GIG Workers**

Despite the fact that platforms are an important part of the future of jobs, existing laws do not recognize them as future industrial workers. The Code on Wages, 2019 broadens the concept of an employee by making "wages" the primary criterion for determining who is a "employee." However, under this description, gig workers and platform workers are not

specifically mentioned or protected. Gig or Platform worker can demand benefits, but not labour rights, due to the lack of specific protections in the labour codes. The terms 'gig worker', 'platform worker' and 'gig economy' only appears in the Code on Social Security but not in other labour codes. As a result, they are eligible for state-sponsored programs but not for labour rights. It does not give them the right to go to court to seek fair and more consistent compensation or to have the algorithms that assign consistency in terms and conditions of employment. This also ensures that the government or courts would not be able to hold platform firms accountable for their wage policies or the length of time they ask workforce to operate.

Despite the fact that gig workers will be protected by proposed social security programs, none of these benefits are guaranteed. This means that the central government may create welfare schemes that cover these aspects of personal and job security from time to time, but they are not guaranteed. Any of these incentives will be contingent on the state government's decision. For example, in some states, such as Karnataka, where a platform-focused social security scheme was in the works last year, the center could provide some financial assistance

There are lot of critics of The Code on Social Security, 2020, and put a question mark on and its impact on gig workers' well-being. Critics point out that the code has merely created a category for gig and platform employees. This classification, however, is separate from that of unorganized employees and lack of clarity on the new categorization may prevent gig workers from receiving many of the same social security benefits as unorganized workers. "The law also ignores the nagging issues of financial insecurity, inhumanely long hours of work increased hazards, and effects on physical and mental health of gig workers,"

### **Downturns of gig economy for workforce in terms of economic and non-economic factors like quality of work life, work life balance**

Workers put in long and unpredictable hours in order to get enough money to live on. According to a recent analysis by **Fairwork India**, an organization dedicated to examining the working conditions of persons employed by digital platforms, "the majority of workers interviewed worked far longer than the legally authorized 48-hour/week without overtime wages and at the same workers work unpredictable and long hours to achieve an income that can sustain them". As per **Fairwork India** report, "the majority of gig workers examined worked far more than the legally allowable 48-hour workweek without receiving extra pay". But it has been seen, gig employment hardly provides any flexibility and ownership as due to huge competition and online rating by customer's employee has to remain on toes and had to provide services on 24x7 modes. In most of time due to lack of opportunities this employee has to accept the offer whatever comes in their way, forget to decline or reject the offer. Sometime low wage rate, lack of social security, irregular working hours put this type of workforce in disadvantage and lot of factors which were considered as pull factor for gig employment turn out to be nightmare as aspiration of gig employee had been not fulfilled. According to an estimate 8 million Indians entered the gig economy in till first half of 2022. Despite being the largest employer, the majority of these employees do not see the gig economy as a full-time choice because of job instability, which is aggravated by complicated contracts, changing bonus rates, and a lack of control over unrealistic goals. Gig economies operate outside the conventional employment framework, meaning they are not covered by minimum wage laws or social security.

Discontent among online platform employees has spilled onto the streets on multiple occasions in recent years. Uber and Ola drivers have gone on indefinite strikes throughout cities, towns and villages in protest of their poor pay, despite working for more hours.

Around 10,000 food delivery employees in Hyderabad threatened to go on strike last year. Last year, beauticians and salon employees linked with Urban Company protested in front of the company's Gurgaon office. They were agitated by proposed app policy changes, alleging that they would have an impact on their revenue and income. These protests had brought attention to India's appalling working conditions for gig workers. It has also escalated the demand for granting minimum pay and other social security benefits to gig workers in order to protect them from exploitation.

Due to its fluid and dynamic nature, gig workers are difficult to regulate. As a result, the enforcement of tax and labour rules and regulations is mostly ineffectual. Companies frequently use terminology like 'driver-partner' or 'delivery-partner' instead of 'workers,' ostensibly to avoid any responsibility for them. Employees are entitled to minimum salaries, fixed working hours, healthcare, and other benefits under the law. Independent contractors, on the other hand, do not have a genuine claim to these benefits because they use platform and do not work for the companies directly. This distinction has been significant in the rise of the gig economy since it permits digital companies to circumvent any labour regulations. By rearranging the relationship and categorizing workers as independent contractors, companies like Ola, Uber, Amazon, Flipkart have been able to avoid evade social security and welfare benefits.

### **The Way ahead**

According to the Social Security Code, the provision of basic welfare measures is a collective responsibility different stakeholders like central government, state government, network aggregators, and employee himself. However, stakeholder's responsibility is not earmarked in Indian law. The Indian government should consider giving gig workers the status of aggregator employees. If feasible, benefits such as Provident Fund, Group Insurance or any other social security schemes should be implemented. The government should consider offering platform employees a loan facility to help them break their reliance on platform aggregator companies. Labor law amendment needed to reflect the changing nature of the gig economy.

Changes in legislations are required to redefine the term "worker". The government can create a new kind of worker called "dependent contractor," which falls somewhere between contractors and full-time employees and offers some benefits and salary protections. Empowering employees in real in gig economy is another way of help them to improve their quality of life. Companies can implement peer-to-peer mentorship and create sharing platforms, both offline and online, to allow employees to engage with one another. India can work with the European Union and the United States, where discussions and actions on gig worker's social security, welfare and protection are already underway. Introduction of a tripartite system to handle conflicts and grievances in the gig economy with labour unions, management, and the government.

Proposed Labour Code on Social Security (2020) has been passed by Parliament – would make it essential for all tech-driven platform corporations to provide social security to its gig employees. These new labour codes have yet to be implemented. as a result, these codes will remain inactive until that time. The new labour regulations are essentially a first step toward giving gig workers appropriate rights." The new labour standards will be a positive first step toward identifying gig workers and platform workers and adopting rules for them.

### **Lesson Learnt Globally**

The plight of gig laborer's is not restricted to India only. Aggrieved digital platform workers around the world have sought and received justice in several of European developed economies. Interestingly, verdict had been in favor of gig workers in European nations, Indian gig workers expect the Supreme Court to interfere and take analogy from western countries.

Few days ago the Supreme Court of the United Kingdom affirmed an earlier labour tribunal's ruling that 25 Uber drivers who had filed a lawsuit against the company were employees rather than contractors. The drivers were awarded a minimum wage, holiday pay, and a pension as a result of this decision. When a ride was booked through the Uber app, the fare was determined by Uber, and drivers were not allowed to charge more than the fare allowed by the app. Based on this observation, the court determined that the drivers were Uber's employees, not contractors, because they were required to follow Uber's decisions.

Following the UK ruling, a court in Milan, Italy, decided in favor of delivery platform workers, declaring that they were employees of the company rather than independent contractors. The court ruled that digital platform businesses provide non-permanent contracts with fixed income, social security, and insurance to gig workers. A draft proposal in the European Union has been introduced to force corporations like Uber, Instacart, and Amazon to classify their gig workforce as employees and provide them with benefits.

The state of California recently passed legislation requiring gig economy workers to be categorized as employees rather than independent contractors. Amendments to labor laws in Ontario and California have signaled a shift toward granting platform employees an employee status, ensuring a minimum wage and health benefits.

### Managerial Implications

Through deep analysis it can be concluded the main reasons of growth of gig employment is weak economy, the growing number of alternative opportunities, and increased freedom and technological advancements. It is evident from research findings that gig employment has significant impact on business operations and the same time there has been a sea change in industrial relation and this change may have substantial repercussion on traditional employment and there is always chance of further increase in gig employment. Gig employment may exceed traditional employment and it is evident that it must be regulated otherwise a large part of workforce if not properly regulated can create chaos and resulting in subdued employment culture. Gig employment is compulsion in a country like India where lot of labor legislations reduces flexibility and very difficult to operate in competitive, unpredictable, complex, uncertain environment. There are lot of push factors and pull factors in gig employment. It is duty and priority of gig employer to attract or to make it a pull factor rather than a push factor. It has been seen most of crowd funding companies reducing the perks and reward of gig workers and some cases these companies are raising their commission resulting in very difficult to earn bread and their income is just for a subsistence. Till now gig employee in India is considered as working in unorganized sector as there is not a regulatory agency a registrar or even a repository where details of these gig employer can be stored.

A large part of the gig economy's workforce is being treated unfairly. These employees, as members of society are most vulnerable groups, require a steady income, much more than the subsistence pay. Currently, the pay for the task performed is woefully inadequate. Furthermore, while online platforms claim that workers have the freedom to pick which platforms they wish, the reality is quite different. Gig workers contracts with employers are frequently unrealistic goals for earning a bonus and hence a greater wage. As a result, they are confined to a single platform, forced to work excessively long hours for a pittance.

salary. The only way to end this exploitation is for the gig economy to be properly regulated. Due to a lack of viable employment opportunities in other areas, the bulk of gig workers are forced to work for platform firms. Unfortunately, the gig economy boast that employment generation rate is very high but the job offered by these employers are low-paying, low-quality jobs. There is a necessity for a precise law that regulates remuneration, social security benefits, and other terms and conditions for gig employees. After all, no one, not even the economy as a whole wish an exploitative gig environment.

There is a desperate need of regulation of gig employment in India. The new proposed law may have a little or substantial impact on the profits of gig businesses; however, the lack of legislation has a negative impact on the lives and livelihoods of millions of gig workers and of course lives and livelihoods must take precedence above profits.

For entry into the platform economy, gig workers need existing assets such as a laptop, smartphone, and vehicular assets, so they rely on intensive loan schemes offered by aggregator company. Workforce becomes reliant on platform company as a result of this it takes away the gig economy's flexibility advantage of employees and force them to work on their terms and conditions. Government should make provisions so that gig employee can avail soft loans from banks in priority basis. Every effort should be made to overcome the ambiguity lying with whether gig workers are business partner, independent workers or employees of platform or aggregator or a special status to be provided which is in between.

### Scope for Future Research

Present research provides an overall blue print of gig work and literature review had been very much instrumental in identifying push and pulls, plug in and plug-outs, economic and non-economic factors like quality of work life, work life balance of gig employment at the same time contradiction in determination of their employment status. The research paper also identifies provisions for gig and platform workers in labour laws of India especially on proposed "Labour Code on Social Security, (2020)" and explores ambiguity and lacunas in these laws.

Future research should explore to what extent the world economy in next five year will opt for gig employment and if the future of employment is gig employment, then what are the different skills, attitudinal change is required in next generation so that they fit properly in gig economy.

If tomorrow is of gig employment, then what will the future of regular employment. Future research should explore different steps that should be taken by the law makers as well as platform employer and crowdsourcing companies to improve the working condition and status of gig workers. Future researcher can measure the contribution of gig employment in Covid 2019 pandemic as in lockdown situation gig employee had been instrumental in maintaining the wheel of supply chain revolving. When the proposed labor code will be implemented then researcher can identify to what extent "The code on social security, 2020" has been able to provide social security and other benefits and ameliorate the life of gig employees.

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