

## Karnataka Platform-based Gig Workers (Social Security and Welfare) Bill, 2024

### Why in news?

Recently, the government of Karnataka has released a draft of the Karnataka Platform-based Gig Workers (Social Security and Welfare) Bill.

### What is a gig worker?

- A gig worker is a person who works in the gig economy (labour market) that is characterized by ***temporary, contract, and freelance jobs***.
- Gig workers are also known as independent contractors, freelancers, or on-call workers.
- They typically work in the service sector and are paid based on completing one-time projects or gigs, rather than receiving a regular income.
- Gig workers often have ***more flexibility*** than full-time employees, such as being able to set their own hours, work from home, and be their own bosses.
- **Examples** - Swiggy, Zomato, Uber, Ola, Urban Company, Porter, Dunzo, Amazon, Flipkart.

### What is a Gig economy?

- It is a labour market characterized by short-term employment, contractual jobs, and independent contractors as opposed to permanent jobs.
- It is also called freelancer economy, agile workforce, sharing economy, or independent workforce.
- The gig economy can benefit workers, businesses, and consumers by making work more adaptable to the needs of the moment and the demand for flexible lifestyles.
- Gig workers engage in livelihoods outside the traditional employer-employee arrangement.
- These types of arrangements are often called alternative or non-standard work arrangements.

- According to NITI Aayog, 7.7 million workers were engaged in the gig economy in 2020-21 especially after the covid-19 pandemic.
- The workforce is expected to expand to 23.5 million workers by 2029-30.
- Nearly 60% of tech industry organisations are now investing in gig workers and 97% of these companies want to keep gig workers at their current level or hire more gig workers.
- It stated that gig work is expanding in all sectors, but 47% of the jobs are medium-skilled, about 22% are high-skilled, and about 31% are low-skilled.
- **Compound Annual Growth Rate (CAGR)** - India's gig economy is growing at a Compound annual growth rate of 17%.
- **Female labour force participation**- The Niti Aayog noted that female labour force participation in India has remained low, oscillating between 16% to 23% in the last few years.
- **Persons with disabilities**- PwD who make up for 2.11 to 10% of India's population, have a labour force participation rate of 36%.

### What are the highlights of the Karnataka draft Bill?

- It aims to introduce protections against unfair dismissals, a two-tier grievance system for workers, and increased transparency in automated monitoring and decision-making on platforms.
- The bill is introduced as a '**rights-based bill**'.
- **Contract Obligation** - The contract between the aggregator and the worker should contain an exhaustive list of grounds on which the contract would be terminated by the aggregator.
- **Valid reason for termination** - It also stipulates that the aggregator shall not terminate a worker without giving valid reasons in writing and prior notice of **14 days**.
- **Right to refuse** - In response to concerns about arbitrary deductions, the draft requires aggregators to pay workers weekly and provide reasons for any deductions.
- **Unfair deductions** - The bill mandates aggregators to make payments at least every week and to inform the worker about the reasons for payment deductions if any.
- Workers can also refuse a set number of gigs weekly without negative consequences, provided they have a reasonable cause.

*Karnataka has become the 2<sup>nd</sup> Indian State to initiate such a move, the first being Rajasthan.*

### What are the key issues of the bill?

- Unlike the Rajasthan's law, the Karnataka Bill fails to mention digitally-mediated, labelling or even home-based services.
- This could lead to artificial distinctions rather than shared needs around welfare protections.
- The draft Bill does not clearly mention if it will protect the rights of warehouse workers because they fail to meet the criteria of workers engaged with 'platforms'.

### **What are the challenges in gig economy?**

- **Income Stability**- Fluctuating income due to irregular work opportunities and varying pay rates.
- **Long working hours** - It found that around 85% of gig workers, largely in the age group of 30- 50, put in 8 or more hours daily.
- **Lack of Benefits**- Limited access to traditional employment benefits such as health insurance, retirement plans, and paid leave.
- **Job Insecurity** - Uncertainty about future work opportunities and job continuity.
- **Legal Protections** - Often classified as independent contractors, gig workers may lack legal protections and rights that employees typically have.
- **Work-Life Balance** - Difficulty in managing work hours and personal life due to irregular schedules and high workload variability.
- **Skill Development** - Limited opportunities for skill development and career advancement compared to traditional employment.
- **Access to Support**- Challenges in accessing support systems like unions or advocacy groups for grievances and rights protection.

### **What are the laws related to gig economy in India?**

- **Unorganised Workers' Social Security Act, 2008** - It aims to provide for the social security and welfare of unorganised workers.
- **The Code on Wages, 2019** - It provides for universal minimum wage and floor wage across organised and unorganised sectors, including gig workers.
- **The Code on Social Security, 2020** - It recognises gig workers as a new occupational category.
- **Motor Vehicle Aggregator Guidelines, 2020**- It states that aggregators are obligated to obtain a health insurance and a term insurance for each driver engaged by them.
- It also ensures that such drivers are not logged in for an aggregate of

more than ***12 hours*** on any day.

### **What lies ahead?**

- The gig economy has certainly led to the transformation of India's work culture, with enhanced flexibility and autonomy, overriding the traditional relationship.
- The biggest advantage of gig work lies in its integration with technology because, the future of India's start-ups and its gig economy lies in digital innovations.
- The government too has been endeavouring to democratise digital platforms across sectors.
- In a developing country like India, the potential advantages of the gig economy are going to be numerous especially for women to achieve financial freedom.

### **References**

1. [The Hindu | Gig workers](#)
2. [News 18 | Karnataka Bill on Gig workers](#)
3. [Investopedia | Gig Economy](#)

