

## Future of Work: The Emerging Gig Economy

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### Background

Rapid technological advancement around the world has ushered in the era of ‘the future of work’ also known as ‘industry 4.0’ leading to an increase in the number of gig economy workers. However, with the paralyzing spread of COVID-19, the nature of ‘future of work’ in future cannot be comprehended. The pandemic has pushed people indoors and necessitated remote working. Heavy dependence on internet connectivity and recognition of gig work has increased manifolds, so much so that it is begun to be counted as essential services. Web-based working models like Zoom and Google Meet are being considered as the backbone on which work from home during lockdowns are being sustained. This is in tune to the gig economy where significant and permanent changes in the way work is done or supervised.

Gig economy is a labour market characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs. It offers two types of task based work (i) ‘crowded work’ such as digital marketing, online tuitions, content writers, translators, graphic designers, software development, accounting, data analytics, legal work, medical transcription, tele-medicine and social work involving freelancers, which can be done from anywhere; and (ii) ‘on-demand work’ such as personal transport services offered by Uber and Ola, food delivery services provided by Zomato and Swiggy, and e-commerce services of Amazon and

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Flipkart. The rise of gig economy work is attributed to its flexible work hours and independence.

According to Payoneer's Global Economy Index, 2019 (Moldovan, 2019). India is among the top 7 destination for gig economy workers. In India, around 1.3 million people joined the gig economy in the second half of 2018-19, recorded a 30% growth in the first half of the year, while the gig economy market worth \$3.4 billion, and India is the fifth largest country for flexi-workers after US, China, Brazil and Japan (Kathuria et al., 2017). The nature and quality of jobs generated for the freelance workforce need in India to be examined so that appropriate policy suggestions can be put forward for policymakers to make informed decisions (Mehta et al., 2020).

## **Gig Economy and COVID-19**

Amid COVID-19, the on-demand gig economy workers across the world are operating at the frontline, carrying people around and delivering essential goods at their doors. For instance, in India, online grocery stores such as Big Basket and Grofers are providing services of delivery of essential items to customers in partnership with Uber. Some innovative partnerships have developed to continue their work using gig workers such as Uber drivers in Bengaluru, working with partnerships among start-ups, traditional businesses and hospitals to deliver essential goods or transporting healthcare workers. After the end of lockdown 2.0, some e-commerce gig economy works have been resumed in select areas in India in compliance with government regulations, which will provide them required relief and boost. They are playing an enormous role in restricting the further spread of coronavirus by risking their health and safety like the other warriors such as doctors, nurses, police and others.

Gig workers are considered as 'independent contractors' or 'freelance workers' or '*partners*' and not '*employees*'. They do

not have regular wages or full-time jobs and generally have low or no social security benefits. They have little recourses or savings or other safety nets to survive. Since the gig workers are not 'employees', most of them are caught between choosing to remain at home, self-isolating to avoid potentially passing the virus onto others or remaining in 'essential' service work to support themselves and their families. Amidst this uncertainty, gig workers, some stay at home and face financial ruin while others continue working by taking their life at risk. At the same time, due to lockdowns, demand for some services offered in the gig economy have declined or become impossible to offer due to rules for social distancing.

## **Challenges**

Governments around the world have announced insurance for health service providers and security personnel and hiked their salaries in some places, but gig workers have remained out of such considerations. They are not considered at par with other frontline workers like the police and doctors, who are working during the pandemic. Majority of them do not have access to any employment protection such as health insurance and sick leaves (De Stefano, 2016), and since they generally work hand-to-mouth, they may not have savings to fall back on.

In India, with the lockdown millions of migrant workers have moved to their hometowns and villages. Seeing this as a potential threat of losing cheap labour, some relief measures for workers have been announced. However, those working on on-demand platforms have been excluded. The government bailout schemes rarely cover them or even when they do, their conditions are too stringent for gig workers to qualify. In the US around 200,000 gig workers went on strike in the last week of March 2020 to draw attention to safety and wage concerns, who are working during the health crisis.

## **Future of Gig Economy**

The gig economy has huge potential to create widespread impacts across the economy. The size of the gig economy is projected to grow by a 17% compounded annual growth rate and generate a gross volume of around \$455 billion by 2023 (Monga, 2020). Several estimates show that between 70 million (Woodcock, 2020) to 1.2 billion people are engaged in gig economy work globally (Lynkova, 2019). Some studies predict that the freelancers could represent 80% of the global workforce by 2030 (Petrov, 2020).

The COVID-19 crisis is redefining the ‘future of work’ with emergence of remote working, increasing automation and rise in the recognition and reliance on gig economy workers. While possessing efficiency, technological innovation, and incentives to domain experts and high skilled professionals, nonetheless, it has also exposed a fundamental lack of social protection and the precarious nature of subsistence of on-demand gig work, especially for the less-skilled and piece-workers. The Great Depression and the Second World War led to widening the health and safety nets of the vulnerable and other workers’ in the US. Similar response is expected across the globe after the COVID-19 pandemic would be over. On the other hand, ‘crowd work’ has gained momentum as many high and medium skilled jobs are being performed remotely and is providing a roadmap of the future of work.

## **Way Forward**

To ensure that the gig workers live a life of dignity, COVID-19 comes as an opportune moment to provide them the social security benefits and including them in the employee category, so they can get the benefits of social security and other government welfare schemes as per the Goal 8 of the Sustainable Development Goals-decent work (Goal 8 – decent work and economic growth, n.d.),

India can consider steps similar to California's Assembly Bill (AB 5) bill that recognizes gig workers as employers eligible for state and employer sponsored benefits such as insurance, overtime pay and leave (AB 5 Worker status, 2019). It would set up a fund through corporate social responsibility (CSR) that will provide health insurance, pension and other benefits to gig economy workers. It is noteworthy that the Indian government has introduced gig economy workers in the draft social security code circulated a few months ago, includes health benefits and insurance coverage.

Further, there is an urgent need to take an appropriate step by the companies for the welfare of gig workers. In India, Ola Cabs and Zomato have started funds to support their workers, by seeking donations from the public and from management, but workers are yet to see the benefits of the funds. There is little clarity as to how these funds will operate; they should come up with transparent rules and regulation to encourage public to participation in such a fund more.

The gig economy work is going to be the future of work. Therefore, there is an urgent need to provide better employment conditions, which will likely to push more young jobseekers to the participate in gig economy as a full time, not as a stop gap solution in the absence of suitable employment.

In the time of pandemic like COVID-19, most of the corona warriors such as doctors, security personnel and others have been given hikes in their salaries and been provided huge amounts of life insurance cover in case of death during the duty, but the gig economy workforce have remained neglected, as the latter are also involved in serving the people by risking their lives. The governments should consider their importance in these difficult times and provide them the necessary life insurance cover and benefits like other corona warriors (Mehta and Kumar, 2020). They must also be given free personal protection equipment such as disinfectants, gloves and masks, daily sanitization of their

vehicles and regular medical checkup facilities including that of their families.

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