Quality Gigs, a Solution to Urban Unemployment

What is the issue?

With no urban equivalent to the National Rural Employment Guarantee Scheme (NREGA) as yet, there must be a focus on supporting new forms of employment here.

What is the unemployment scenario?

- The discourse on post lockdown economic recovery has shifted the focus away from the employment question.
- But more recent data from the Centre for Monitoring Indian Economy point to a gradual slowdown in employment recovery from July 2020.
- The latest numbers point to a sharp rise in the national unemployment rate from 6.51% in November to 9.06% in December 2020.

What role has NREGA played?

- With labour force moving back to rural India, employment support came in the form of an increased outlay for the NREGA.
- It witnessed a 243% increase in person workdays.
- This led to the Rural Development Ministry spending nearly 90% of its increased Rs. 86,400 crore allocation by the month of November 2020.
- However, it is still being unable to fulfil demands for nearly 13% of the 75 million households that demanded work.

What is the condition in urban areas?

- In several Indian cities, businesses are shuttered post the lockdown.
- Millions of workers thus have to either leave or take up new forms of work.
- Some have found the burgeoning **gig economy** to be their only employment source.

What is the status of gig economy?

- In this regard, Fairwork Foundation’s annual review of platform labour gains prominence.
- The report evaluates the well-being of gig workers on 11 digital platforms.
- It evaluated them on five metrics of Fair Pay, Fair Conditions, Fair Contracts,

Fair Management and Fair Representation.

- In its findings however, only two firms (Urban Company and Flipkart) scored greater than five (out of a maximum of 10) while seven scored only 2 or less.
- Most concerning perhaps, is the fact that the bottom of the rankings are rounded off by India's four largest platform giants, namely, Uber, Ola, Swiggy and Zomato.

What should the government priorities be?

- No urban equivalent to the NREGA is on the horizon.
- So there must be an increased impetus on evaluating, regulating and supporting new forms of employment.
- **Evaluation** - As of now, there exists no authoritative estimate on the total number of gig workers in India.
- Current understanding of gig economy remains constrained to the limited disclosures made by the platforms themselves.
- Furthermore, very few independent studies are evaluating the scale and impact of these platforms.
- So, most regulators continue to remain in the dark on basic questions surrounding platform labour.
- The centralised nature of the platforms and the larger platform labour market only necessitates collating of this data by the Labour Ministry.
- **Regulation** - Some workers use gig economy platforms as a "side hustle."
- For others, it continues to serve as a primary source of employment.
- The varied nature of gig work thus makes regulation highly sensitive.
- This dynamic is further complicated by the risk of a one-size-fits-all regulatory strategy.
- This might unintentionally hurt the similar, yet distinct, market for highly skilled (and highly paid) freelancers.

What is a possible way out?

- A more viable strategy for regulation could involve conditional government **partnerships** with platforms under some of its flagship schemes.
- E.g. the successful pilot of Swiggy's Street Food Vendors programme under the PM SVANidhi scheme
- While onboarding street food vendors onto the platform, Swiggy has also looked to ensure that each vendor is registered and certified by the FSSAI.
- The simultaneous creation of jobs, alongside the voluntary adoption of quality standards is an example of a mutually beneficial partnership.
- Similar collaborations on urban employment with labour platforms complying with disclosure norms and worker compensation standards to access government support would serve the purpose.

- Current proposals for an Urban Employment Guarantee peg daily worker wages at approximately Rs. 300, at a cost of Rs. 1-lakh crore to the exchequer.
- Collaborating with platforms to employ workers would bring down costs significantly for both the state and their partners.
- More importantly, it would create an environment where firms cooperate with the state, as opposed to adopting an antagonistic position.

What lies ahead?

- As India claims economic recovery post lockdown, it must look to step outside the box to tackle the challenge of urban unemployment.
- Given the limited fiscal space and a growing need to fuel the country's consumption base, the government must build symbiotic relationships with new partners.
- Industry 4.0 platforms are absorbing increasing numbers of the urban workforce.
- So, evaluation, collaboration, and regulation must be the government mantra.
- The state has to ensure that the future of work is defined not only by the quantity of jobs it creates but also by the quality of livelihoods they provide for.

Source: The Hindu

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