Trade Union-Gig Economy Interplay

What is the issue?

Trade unions are actively engaging with the emergent gig economy, bridging the gaps between platforms and workers.

What are the recent developments?

- Trade unions are adapting quickly to new-age ways of organising and collective bargaining.
- Gig worker federations have initiated social media training for members as a newer means of organising workers.
- Urban Company (a home-based service platform) announced a 12-point agenda to improve the working conditions of its worker-partners after social media highlighted lapses.
- GST Council considered making e-commerce operators (ECOs) in food delivery such as Swiggy and Zomato liable to pay the GST on restaurant services supplied through them.

Significance

- Trade unions are predicated on traditional employment, while the gig economy relies on flexibility and heterogeneity.
- Given this inherent dichotomy, the trade union-gig economy interplay is noteworthy.

What are the notable developments globally?

- California's AB5 law (passed with the efforts of trade unions) - Entitles independent contractors to 'employee' status.
- The recent invalidation of Proposition 22 (enacted in opposition to AB5) has resulted from trade union activity.
- New York - Platforms and trade unions are negotiating a middle-path, ensuring minimum pay and other benefits to independent contractors.
- This is in exchange for trade unions giving up demands for 'employee' status; a legislation is expected soon.
- The recently proposed Protecting the Right to Organise Act, 2021 (PRO Act) in the US expands the scope of worker rights to organise and collectively bargain.
- UK - The Supreme Court unanimously held that drivers on a popular ride-hailing platform were "workers," making them eligible for social security benefits.
- This improves the potential for collaboration between platforms and trade unions on issues including earnings, representation, organising and pensions.

How is the trade union-gig economy interplay in India?

- Multiple gig worker organisations have emerged in India.
- Claiming significant membership, they seek to address wide-ranging concerns (including wages, compensation and working conditions) and not solely social security.

- Formation of an ‘umbrella union’ of gig workers across the country.
- A petition is filed at the Supreme Court, seeking social security benefits for gig and platform workers as “workmen” under existing legislation.

What are the long-pending demands and concerns?

- Call for reduction in commissions
- Call for waiver of vehicle loans
- Gig worker organisations remain dispersed.
- Gig worker organisations not gaining stronghold in India due to -

    i. The dearth of traditional employment opportunities in India, and the low entry barriers for gig work.
    ii. In the absence of traditional ‘jobs’, gig workers may lack the incentive to organise and bargain for ‘rights’.

What has led to the recent attention on gig economy?

- Pandemic-induced dependence on gig workers
- Issues highlighted via gig worker unions
- Enactment of the Code on Social Security, 2020
- Increasing social media engagement - Becoming a potent tool to represent issues and negotiate with platforms.

Reference

https://www.thehindubusinessline.com/opinion/how-trade-unions-recharged-for-the-gig-economy/article37210395.ece

