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Niti Aayog's Report on India's Gig Economy

Why in news?

The Niti Aayog has released the report titled "India's Booming Gig and Platform Economy".

What is a gig economy?

- In a gig economy, temporary, flexible jobs are commonplace and companies tend to hire independent contractors and freelancers instead of full-time employees.
- 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.
- **Classification of gig workers**
 - **Platform workers** are those whose work is based on online software apps or digital platforms such as food aggregator platforms Zomato, Swiggy, Ola, and others.
 - **Non-platform workers** are generally casual wage and own-account workers in conventional sectors, engaged part-time or full-time.
- Platform workers are termed as "independent contractors".

What has the Niti Aayog study revealed?

- **Gig workforce-** According to the report of NITI Aayog, the Indian gig workforce is expected to expand to 23.5 million workers by 2029-30, a near 200% jump from 7.7 million now.
- **Skills-** The report 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.
- **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%.
- **Issues with the gig sector**
 - lack of job security
 - irregularity of wages
 - uncertain employment status
 - no access to many of the workplace protections and entitlements

What are the recommendations of Niti Aayog?

- **Platformisation-** The think tank has recommended introducing a 'Platform India initiative', on the lines of the 'Startup India initiative', built on the pillars of accelerating platformisation.
- It has suggested that self-employed individuals engaged in the business of selling regional and

rural cuisine may be linked to platforms so that they can sell their produce to wider markets.

- **Credit facility**- Access to institutional credit may be enhanced through financial products specifically designed for platform workers and those interested to set-up their own platforms.
- Venture capital funding, grants and loans from banks and other funding agencies should be provided to platform businesses of all sizes at the pre-revenue and early-revenue stages.
- **Fiscal incentives**- Tax-breaks or startup grants may be provided for businesses that provide livelihood opportunities where women constitute a substantial portion (30%) of their workers.
- **Social security**- The Aayog's report also said that social security benefits be extended to workers in a partnership mode, as envisaged in the Code on Social Security, 2020.

References

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