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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>



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