



India's Emerging Gig Economy The Future of Work for Women Workers

June 2020

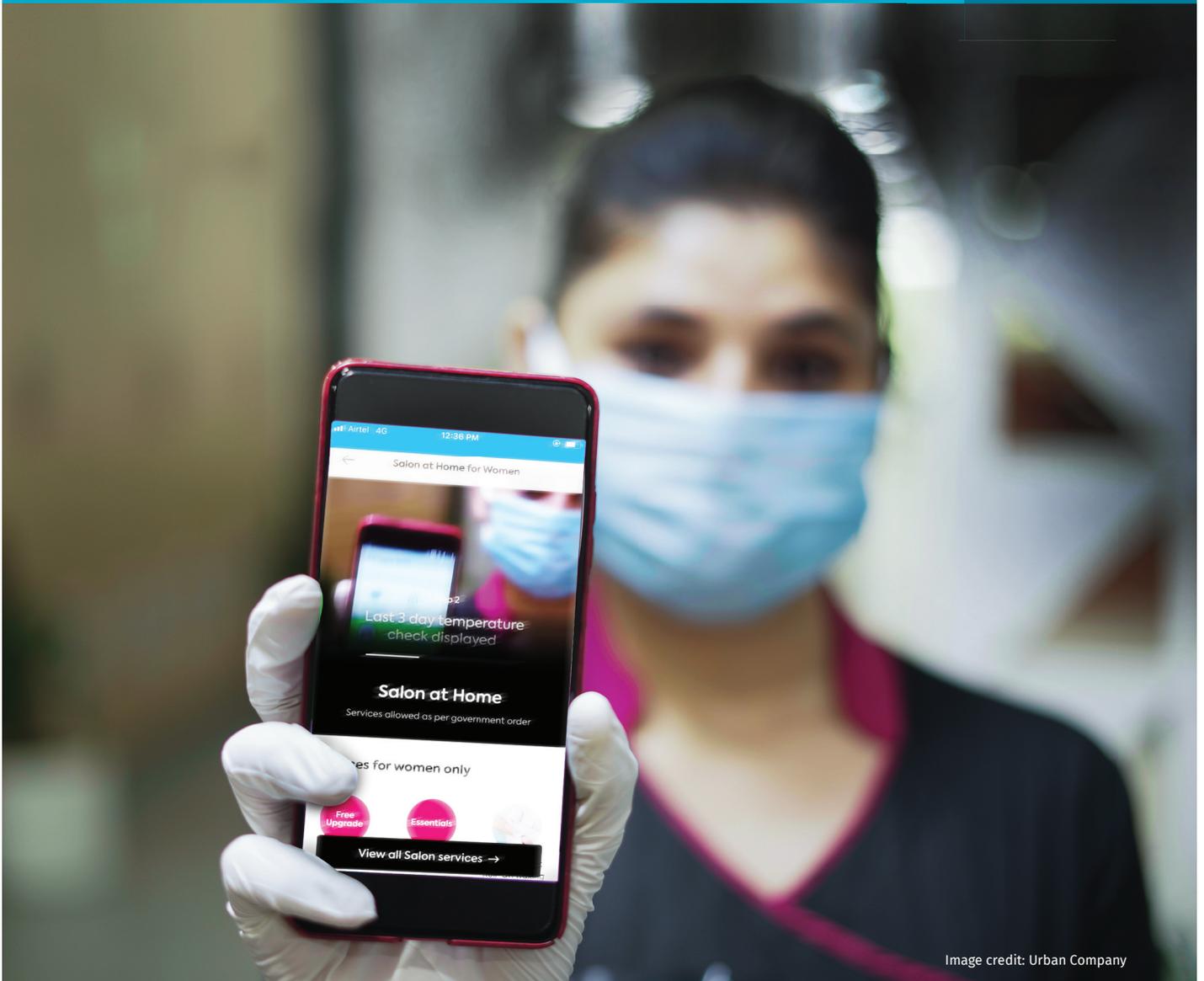


Image credit: Urban Company

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ABOUT IWWAGE

Initiative for What Works to Advance Women and Girls in the Economy (IWWAGE) aims to build on existing research and generate new evidence to inform and facilitate the agenda of women's economic empowerment. IWWAGE is an initiative of LEAD, an action-oriented research centre of IFMR Society (a not-for-profit society registered under the Societies Act). LEAD has strategic oversight and brand support from Krea University (sponsored by IFMR Society) to enable synergies between academia and the research centre. IWWAGE is supported by Bill & Melinda Gates Foundation.

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ABOUT THIS REPORT

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EXECUTIVE SUMMARY

World over, the technology-driven gig economy has been expanding rapidly over the past decade, in which digital platforms connect ‘workers’ with ‘requesters’ to facilitate on-demand work. While the gig economy has also become a buzzword in India, particularly in the last couple of years, and is attracting millennials by offering alternative employment opportunities. However, literature is scanty when it comes to measuring its impacts on the gendered experiences of gig work or on gig workers. This report aims to provide a comprehensive analytical overview of women’s engagement in platform work, and presents findings from an in-depth study of women’s work in one of India’s leading platform companies. It aims to understand the emerging forms of labour practices and the impact of platform engagement on workers’ experiences, challenges, and impact on women’s empowerment and agency. We adopted a threefold approach and our findings are based on interviews with workers, platform managers, and other key informants. Moreover, based on comprehensive literature review, the study presents an in-depth and specialised analysis of the gig economy to explain some of the unique features of the labour practices and consequences of such practices on the overall labour relations.

We find that the gig economy offers women choice of work and flexible work modalities to manage paid and unpaid work, but is largely an urban phenomenon. Women gig workers appreciate the income-generating potential of the gig economy, and are the major beneficiaries of the gig ecosystem. However, we find that these women also encounter numerous challenges with regards to access to social protection, safety, upward mobility, and lack of effective bargaining power. Also, the pervasiveness of automated ratings and review mechanisms is a chief issue in the gig economy. We make specific recommendations and argue that policy makers and platforms have a key role in ensuring access to decent work and social protection for these workers.

1

INTRODUCTION



The world is increasingly going digital and the technology led innovations have a significant impact on encouraging people's participation on these digital platforms. This has given rise to the gig economy. Since 2010, the gig economy¹ has received much popularity and academic attention, pointing to its extraordinary rate of growth. The gig economy represents rapidly growing labour platforms which connect 'workers' with 'requesters' to facilitate on-demand work², that continues to develop and flourish globally. In short, gig economy pertains to labour market activities which are coordinated via digital platforms. Companies operating these platforms act as 'intermediaries' enabling requesters to order a defined task or project from an available service worker, usually taking a fee or commission when the service is completed/delivered. Workers, on the other hand take on particular 'gigs'/'tasks' (without any guarantee of further employment), and they are invariably classified as 'independent contractors', rather than employees.

Technology plays a key role in establishing labour relations in any form of organisation of production³. And as the nature of the work environment continues to change, such trends have great impact on the organisation of work, structure of workplaces, and

¹ Also known as the platform, sharing economy, collaborative, contingent, mobile, or flex economy. The proliferation of gig or platform work has been attributed to companies adopting business models that enable them to operate at a much lower cost by not having to pay employee benefits, insurance and compensation to traditionally recruited workers.

² On-demand work typically refers to less-skilled and low remunerated work; is generally cyber coordinated and carried out locally, with the requester and the service provider in physical proximity.

³ For more details on this: see Annex 1.

labour practices. A wide range of literature exists⁴ around the development of technology assisted global production networks and global commodity/value chains, which began in the mid-twentieth century and continues to exist. In this context, while digital labour platforms are often viewed as disruptive in nature, they neither create a new world of work nor essentially interrupt an existing pattern of employment relations (Collier et al., 2017). In a variety of ways, they depict a continuation of earlier (historic) trends: labour and capital restructuring as a result of technological innovations, including new forms of 'intermediated' employment relations, and a gradual shift to precarious, contingent and contractual employment, often unprotected by labour laws.

Therefore, while the scope of this report excludes a discussion on the evolutionary history of service sector labour processes, it does address the current forms of emerging service delivery practices in the context of the 'future of work'⁵. It attempts to identify the various forms of employer-employee relations that have emerged in the case of aggregator companies, which abundantly uses modern technology, based on internet and mobile applications, and brings together similar service providers/workers on a single platform to perform specific 'gigs'; thereby creating a fleet of volatile/fluid workers, namely, service providers (who are not recognised as 'workers' but independent contractors/partners/professionals). In this context, this report essentially focusses on the 'labour question' in these services more commonly identified as 'gig work' and tries to examine the impact of such gig work on the employer-worker relationships.

Further, it also describes the existing models of work, given the new arrangements of labour structures apparently held together by internet platforms and seeks to examine the factors that make such jobs attractive for the service providers. These factors might include the profit model of the aggregator companies, and how and whether these relationship/arrangement between these two parties influence the decision of the third party, i.e. the customers/gig employers.

Drawing attention to women's labour in the emerging economy⁶, the report summarises women's experiences of the 'on-demand' gig/platform economy in India, which generally renders less-skilled and low remunerated jobs than other forms of gig/platform work. It explores the gender dynamics in the gig economy, especially in the context of emerging opportunities in pink-collar work. In India, there is very little formal research on the platform economy and even less on the specific constraints and challenges faced by women who are engaged in it. To fill this gap, this report seeks to document the gendered impact of such employment on women, who already face significant disadvantages related to poverty and access to formal employment, compared to the male counterparts.

As an initial step to unpack the gendered nature of gig work in India, this pilot study explores one such service platform in India: Urban Company (formerly UrbanClap), which provides a range of on-demand household and professional services. Within this platform, our research is limited to women workers'/service providers' offering beauty, salon and wellness services. It also explores the conditions of work for women service providers in order to capture the emerging forms of labour practices within the gig/platform economy. The study begins by providing a comprehensive review of literature around the models of

⁴ See: Gereffi, 1991; Ghosh, 1998

⁵ The concept of work is changing, and so is the future of work. Labour markets in developing and developed countries are currently experiencing lot of changes and are likely to continue undergoing major transformations in the next years and decades.

⁶ Since emerging digital platforms are enabling women to take up gig work and use their time more effectively.

similar platforms and digs deeper to explain some of the unique features of the labour practices and consequences of such practices on the overall labour relations, ranging from organisation of labourers to the process of informalisation of labour practices of newer forms. The next section reviews the limited literature around the role and issues faced by the various actors in the gig economy and discusses policy considerations pertaining to the same. Section 3 includes the survey design and methodology, and Section 4 provides key findings from the primary survey and focus group discussions (FGDs). Finally, in Section 5, some conclusions and recommendations are made based on the analysis and findings of the study.

2

LITERATURE REVIEW



2.1 UNDERSTANDING THE BASICS: WHAT IS GIG ECONOMY?

In a world of changing relations in terms of production, the concept of work is constantly being reinvented and so is the future of work and production⁷. Technology has driven much of this change, which has resulted in the expansion of global supply chain for over three decades. It is in this context that the gig economy emerged.⁸ As in many other developing economies, these patterns are rapidly expanding in India, particularly in urban and peri-urban areas, where there is an ever-increasing demand for such services.

The operating models of this economy can be classified into two parts. The first is the digital gig economy and second is the physical gig economy, with the former involving online labour- freelance work, crowdsourced work or microwork; and the latter involving work-on-demand via Apps (Heeks, 2017). Both categories of work have differing skill requirements (see Box 1 for details). The past decade has seen emergence of the gig or platform economy⁹ where the provision of services is facilitated by digital platforms. Service providers are engaged on a short-term basis and usually paid per task (BEIS, 2018). Gig platforms act as an intermediary to match demand and supply for the services. In the case of multi-service online platforms like Urban Company and Housejoy, technology is used to streamline the work, that was previously performed informally.

Literature on the gig economy has focused largely on crowdwork; and where the physical gig economy is concerned, has suffered from an Uber-bias¹⁰ (Raval and Pal, 2019). Issues and policy considerations pertaining to the gig economy have referred largely to crowdwork platforms like Amazon Mechanical Turks, ride-sharing platforms like Uber, Lyft and Ola as well as delivery services like Deliveroo.

⁷ Work had historically been bound geographically, with labour being the most place-bound factor of production. The widespread use of internet has changed that as now the client, boss, worker and consumer of the end-products can all be located in different geographical locations. This implies global competition of labour on digital platforms although under unequal systems and relations.

⁸ Aggregator companies perform within a business network model where the firm collects the information about a particular good/service provider, make the providers their partners, and sell their services under its own brand.

⁹ The terms 'gig economy' and 'platform economy' are used interchangeably in the literature reviewed.

¹⁰ Much of the available literature on the physical gig economy talks about uber, and other platforms have not been explored well or scantily researched.



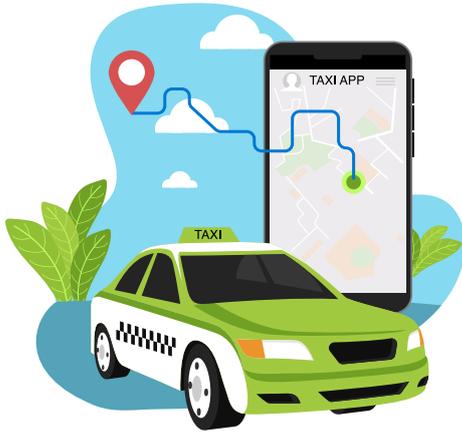
Online Labour vis-à-vis App-based Work

Online labour can be performed remotely and according to Oxford's Online Labour Index (OLI)¹, includes clerical work and data entry (crowdwork), professional services and online freelancing. The first category of 'crowdwork' involves assigning of human intelligence tasks or microwork such as data entry and image classification to remote workers. It requires basic computer literacy and numeracy. Online professional services and freelancing on the other hand requires some level of formal education and specialised knowledge (Kässi and Lehdonvirta, 2018). Online labour, by virtue of its' remote nature, provides employment opportunities that were earlier less accessible to workers from developing countries. Online platforms facilitate North-South trade, with employers being predominantly from high-income countries and workers from low-income countries (Agrawal et al., 2013). A 2015 ILO survey of 'crowdworkers' from the Amazon Mechanical Turks (AMT) and Crowdfunder platforms found that the sample from Crowdfunder (which allows workers from all countries) comprised of 2.8 percent workers from the US, 8.5 percent from India and 88.7 percent from other countries, skewing predominantly towards the Global South (Berg, 2016; Aleksynska and Berg, 2016). On the other hand, roughly 52 percent of all vacancies posted through

online platforms were found to be posted from the US. Other top employer countries were the UK, India, Australia and Canada.

On the other hand, 'work-on-demand' is a form of work where traditional activities (such as transport, cleaning, beauty services etc.) are channelled through Apps that match demand with supply. These apps, beyond acting as intermediaries, set minimum quality standards of service and select and manage the workforce (De Stefano, 2015; Berg, 2016). Uber was at the forefront of the trend of providing everyday services on Apps, leading to what is now popularly known as a "Uber-for-X" model (See Box 2 for more details), where a plethora of daily amenities and services are made available at the touch of a button. On-demand service is geographically limited to specific locations. In India, the gig workforce is concentrated in aggregator companies such as cab drivers (Uber, Ola in India and Lyft in the USA), delivery executives (Zomato, Swiggy, UberEat, Flipkart, Dunzo, etc.) and service providers (Urban Company, Housejoy, etc.) With a few exceptions such as in the case of beauty workers, electricians and plumbers, the low skill requirements of these jobs lead them to command lower earnings and poor conditions/contracts of employment.

¹ OLI of iLabour Project, University of Oxford, is an open data set of labour statistics for the online gig economy.



Uber-for-X Model

The taxi booking company Uber was the first to start a new on-demand market, using a modern software platform to find suitable transaction counterparts at a lower cost. Uber intermediates two groups in which, one group has excess and idle capacity and the other group has the demand for that capacity and are willing to pay for it. The service is provided through smartphones that substantially lower the cost of communication, in turn allowing for distribution of more information. In this setting, a platform is used to remove cost inefficiencies associated with the traditional transportation service by showing the driver's face, contact number, vehicle number to the passenger, and the passenger's contact details to a driver, helping both parties to recognise each other.

Uber's success spawned interest in an Uber-for-X model for a myriad of other sectors, where "X" stands for the services the platform provides. Companies place entire transactions onto their platforms, reducing transaction costs in both finding a service provider and in completing a purchase. The Uber-for-X model is directed towards existing market inefficiencies, rectifying them, and capitalising these corrections.

However, Uber's innovation can be better thought as incremental rather than radical. Third party contractors come in when local labour markets are unable to

provide a sufficient supply of casual labour with the apt skills for timed tasks. Labour hired through informal labour contracts, involving contractors or third-party agents are associated with a triangular employment relationship, where the legal employer is different from the person for whom the work is done. Labour contracting is a logical extension of global production networks, playing three key roles in managing the commercial pressure - coordination, information and efficiency. Although extremely profitable for the employer, the workers employed under a labour contractor face heavy exploitation. Therefore, Uber did not discover the idea of intermediation, but applied it more broadly than ever before.

Besides, Uber is increasingly seen as a company that is disrupting the transportation system. And it has started facing regulatory issues and multiple challenges all over the world – from being banned to increasing operational costs. Uber claims itself to be a technology company with the sole function of connecting drivers and passengers and that it does not concern itself with employer-employee laws. This implies it is not obligated to pay social security taxes, unemployment insurance, worker's compensation or reimbursement to drivers for mileage. Uber is also faced with complaints from various governments for shrinking its tax liabilities onto the driver partners.

References:

Barrientos, Gereffi and Rossi, 2011; Edelman and Geradin, 2015; Schneider, 2017; Page, 2019

The remote nature of crowdwork, flexible working hours, and choice of work in the physical gig work can allow persons with constraints such as limited mobility, social barriers and care responsibilities, to enter the workforce. The gig economy can also help workers hone their skills and act as an entry point into the labour market (Behrendt and Nguyen, 2018; ILO, 2015). This flexibility and increased freedom, however, comes with a trade-off with security of work (Steve Coulter et al., 2019). Gig workers are paid based on the completion of a certain number of tasks. Where work is rare, this kind of work can compromise on the regularity of income¹¹ (Heeks, 2017; Graham and Woodcock, 2018). People engaged in alternative work may have to piece together lots of different gigs in order to make an income. Further, this flexibility may preclude the classification of gig workers as employees and exclude them from social protections and benefits (Willma, 2016).

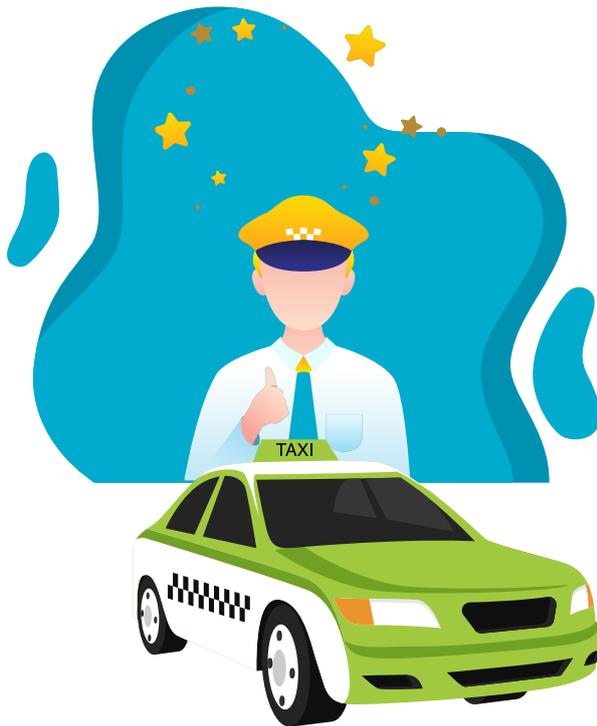
Work in the platform economy can broadly be classified as a non-standard form of employment. Non-standard forms of employment describe a range of contractual agreements that deviate from an open-ended, full time, dependent employment relationship. Introducing the aspect of digital platform as a regulating intermediary, gig platforms blur the line between self-employment and dependent employment (Behrendt and Nguyen, 2018).

Gig workers are usually classified as self-employed since they act as free agents of the market and exercise relative freedom of choice in decisions pertaining to work. However, this classification ignores both the provision of the worker's service to an external organisation as well as the large amount of control that the platform can exert over the worker using technology – factors that are generally found in an employer-employee relationship (Todolí-Signes, 2017; Cherry et al., 2016). Risak and Warter's 2015 paper on 'decent crowdwork' defines the relationship between the worker and the platform as a contractual one, where the platform-as-intermediary proposes tasks that the worker chooses to accept and execute (Risak and Warter, 2015). Workers within the gig economy are generally designated as independent contract labour, with the platform acting as the contractor. This can lead to workers being free from several vicarious liabilities and obligations but also being excluded from benefits and protections from employers (De Stefano, 2015).

In a move to protect the workers from this exclusion, regulators have sought to move away from this classification. The California Senate passed a bill in September 2019 (See Box 3) that sought to re-classify gig workers as employees rather than independent contractors, allowing them to access the benefits and protections afforded to standard employees (Flower, 2019).

Across the world, the legal landscape has to evolve to incorporate non-traditional forms of employment. French labour law, for instance, now extends social security coverage to platform workers, preserves their right to collectivise, access continuing vocational education, and validates acquired experience. The European Parliament passed laws to protect gig platform workers, extending to them rights like predictability of workflow, the right to refuse work and removal of exclusivity clauses. Canada went a step further to include a new category of workers called 'dependent contractors', who are regularly employed by a hiring entity to perform tasks and are authorised as representative of the hiring entity as a part of their daily course of work. Dependent contractors can retain flexibility of working hours, receive payment per gig, while being protected by Minimum Wage Act and Working Hour Regulation Act (Bhatnagar and Shukla, 2020).

¹¹ The COVID-19 pandemic is exposing the fragile situations of gig economy workers, as these workers lose earnings since there is no demand in the current circumstances of lockdown period. Similarly, other epidemics, natural calamities and other disasters could have extremely adverse impacts on these workers, given that there are no insurance products covering such calamities, and these workers have few protections like guaranteed wages, sick pay and health care, which are benefits that are critical in a crisis situation. (For more details see Box 5.)



California's Assembly Bill-5 and the Market Influence on Uber

The amendment to labour laws passed on September 2019, in the California Senate – Assembly Bill 5 (or AB-5) cited the harm that comes to misclassified workers, in terms of loss of benefits such as payroll taxes, social security and unemployment benefits; and called for gig workers, currently classified as independent contractors to be treated as employees. This classification is subject to a three-part test (or ABC test) by which a person must be classified as an employee unless the worker is a) free from the employer's control or direction in performing work; b) the work takes place outside the usual course of business of the company; and c) the worker is engaged in an independent trade or business of the same nature as the work being performed by the company.

Uber is often credited with disrupting the taxi industry. Unlike regular taxi companies, Uber does not have to maintain a fleet of cars or a steady stream of employees. However, due to push back from unions and recent legislation, Uber has suffered losses that have led it to layoff over 1,000 employees in the months following the AB-5 legislation. In response, Uber, along with other US-based ridesharing companies like Lyft have invested \$30 million each to fund a 2020 ballot initiative that would enable them to keep drivers as independent contractors. The companies have been promoting the schedule flexibility of the independent contractor status and offering concessions on minimum wage standards, health benefits and collective bargaining rights.

2.2 THE PLATFORM AS AN 'INTERMEDIARY'

In both physical and digital gig economies, the primary function of the platform is to act as an intermediary to regulate the supply and demand between the service provider and customer/client (Berg, 2016). Certain principles which govern the functioning of platform-based businesses differ from traditional business models. The key focus for a transaction platform is to connect different groups of users, while for most traditional businesses is selling goods and services (Morozov, 2018). Another distinguishing feature of the matchmaking platforms is their emphasis on network which determines the effect an additional user of the goods or services will have on the value of that product to others. For instance, most platform-based services (Uber, Dunzo, etc.) use dynamic prices that are reflective of the changing market conditions. There is an interdependence of demand between the different groups of users, so it is sensible to keep services of the platform free or at low cost for one side of the platform. The extra demand generated by a larger user base for the revenue generating side of the platform more than offsets the cost of the subsidy to the other half of the users (Evan and Gawer, 2016).

The Global Commission on the 'Future of Work' outlines the specific functions of digital labour platforms, which includes the matching of workers with demand, providing a common set of tools and services to all workers, and setting governance rules (ILO, 2018a). In response to the demand for new kind of work and class of labour, while digital platforms can increase the pool of available jobs by facilitating effective matching of labour providers; the users may also facilitate the creation of new jobs and the honing of new skill sets (Chaudhury, 2018). However, the platform is not a mere labour broker, it can also benefit from the fragmentation of the traditional employer-employee relationship. The fixed costs that employers would usually incur in terms of skill training, transport and inputs are often indirectly transferred to the worker, allowing platforms to scale faster (De Stefano, 2015; Chaudhury, 2018). The classification of platform workers as 'independent contractors' and the setting of wage and hour-based thresholds for social protection often mean that platforms are exempt from contributing towards benefits for the workers (Behrendt and Nguyen, 2018; ILO, 2015).

In a recent working paper on 'Decent Work and the Digital Gig Economy', Richard Heeks notes that structural inequality in the digital gig economy arises from a series of asymmetries, including information asymmetry. He describes the digital labour platform as a 'panopticon' where the platform has access to information on the availability of work, worker's performance and the client's willingness to pay, and controls how much of this information is accessible to the worker (Heeks, 2017). This may lead crowdsourcing platforms to become a market for lemons; where inadequate information may lead requesters to offer lower payment, and workers to respond with lower work quality in a 'race to the bottom' (Akerlof, 1970; Snehalkumar et al., 2016). In such cases, the platform can also act as an 'information intermediary' by providing accurate information on workers' performance, customer ratings and availability of work.

Most platforms have rating systems in place where customers can rate the quality of services provided by workers. Customer decisions on whether to engage a particular worker and the allocation of incentives by platforms are often determined by these ratings. These ratings, however, can affect the allocation of work and income of the workers. Ratings can amplify inequalities by rewarding vertical differentiation in cases of the superstar effect where work allocation and wages are concentrated with the best-performing workers. Ratings can also reduce inequalities when horizontal differentiation leads to the recognition of workers in the long tail with a diverse and unique set of skills (Agrawal et al., 2013) However, these ratings can often be inflated and inaccurate when contractors and customers don't have continuous working relationships.



Impact of COVID-19 on Gig Work

Along with the health consequences of COVID-19 pandemic there have been and will continue to be severe labour market and socio-economic consequences across sectors. Public health agencies have recommended social isolation to stop the spread of the virus. As a result, most businesses have switched to remote working arrangements. However, in order to ensure a sense of normalcy during the social isolation, people are increasingly dependent on a large fleet of delivery workers operating at the frontline, now also offering door-to-door delivery of essentials along with food delivery.

Despite relying heavily on workers, it is evident that the platforms have had little or no plans in place for workers' safety during this crisis. There is a shortage in supply of sanitisers and masks, making the workers more susceptible to contracting the virus and thus becoming 'super-spreaders' of corona virus. Even after the expansion of services to include delivery of essentials, the number of orders has diminished and there is no minimum guarantee or payout offered by the company. In addition to this, not all workers have been able to produce passes which has resulted in various reports of brutal police checks and violence. The other sectors of the Indian gig economy have also suffered due to the pandemic. As for the ride hailing segment, Ola and Uber have suspended operations in big cities – achieving an earlier estimated market volume of \$54.09 billion (according to Statista) by 2023 impossible. Further, with a temporary suspension of all modes of transportation, home-sharing platforms such as Airbnb is also facing a challenge.

Likewise, the home-services start-up,

Urban Company has also seen its business come to a halt, as all non-essential services have been suspended under the nation-wide lockdown. As a result, service professionals are amongst the biggest group of people affected by uncertainty of future employment opportunities and lack of safety nets. But there is an expected rise in the demand for categories such as cleaning and sanitisation as well as beauty and haircuts, post the lockdown. Meanwhile, the company has put together tangible relief plans for its partners.

An unprecedented health emergency of COVID-19 has exposed and even widened some of the existing fault lines in the gig economy. There is a need to change the way it looks at safety nets, including healthcare. To deal with the pandemic, the sector is making transitory efforts. For instance, Zomato and Swiggy have launched contactless payments and deliveries to reduce face-to-face interaction, they have also taken the initiative to provide training for hygiene practices and free medical consultation to their delivery partners. Urban Company has rolled out a COVID-19 health insurance and income protection cover for its over 25,000+ service professionals. The company has set up a relief fund (and have committed Rs. 1.5 crore) and disbursing interest-free loans of up to Rs. 5,000 to its partners. Additionally, the company has announced special measures for partners who test positive for coronavirus. However, there still is a lack of a broader reckoning with the precarity of workers' livelihoods in the sector.

References:

Gudipudi, 2020; Jain, 2020; Lalvani and Seetharaman, 2020; Nandy, S H and Tewari, 2020; Rajan, 2020; Varma, 2020

2.3 COMMODIFICATION OF WORK AND THE RIGHTS OF THE GIG WORKER

The gig economy has been growing exponentially in recent years, as significant amount of work has now been moved to digital work platforms, which provides a good match of available job opportunities and allow flexible working schedules. Hence, technology is changing the meaning of employment, work and workplaces and how labour process is organised. However, this has given rise to concerns that the access to workers on digital platforms can lead to labour casualisation and severe commodification of work (Drahokoupil and Fabo, 2016). This is especially true in case of crowdworking platforms, as they can break down more complex tasks into smaller batches of human intelligence tasks, leading to the perception that these tasks are heterogeneous, and do not require special skills/specialisation (Berg, 2016).

Since the gig economy is characterised by short-term and contractual employment relations, remotely controlled labour processes and further alienation and atomised workers with fewer opportunities to exert their agency, thus constraining workers' autonomy and bargaining power (Anwar and Graham, 2019). For example, in most cases, gig workers are not identified as 'workers' as they are registered as self-employed professionals with aggregator companies and, are thus not covered under the standard employee contracts. These processes are rapidly redefining labour relations and impacting working conditions, as labour relations become more fluid and volatile. Payments for workers in these sectors are determined by the 'gigs' they perform and are directly affected by demand fluctuations^{12 13}. In emerging economies with large informal sectors, lack of employment opportunities in local labour markets are a reality that already constrains workers' ability to earn a living (Anwar and Graham, 2019). The disadvantaged low-cost, low-capability suppliers of work are pushed to become clear price-takers with very little

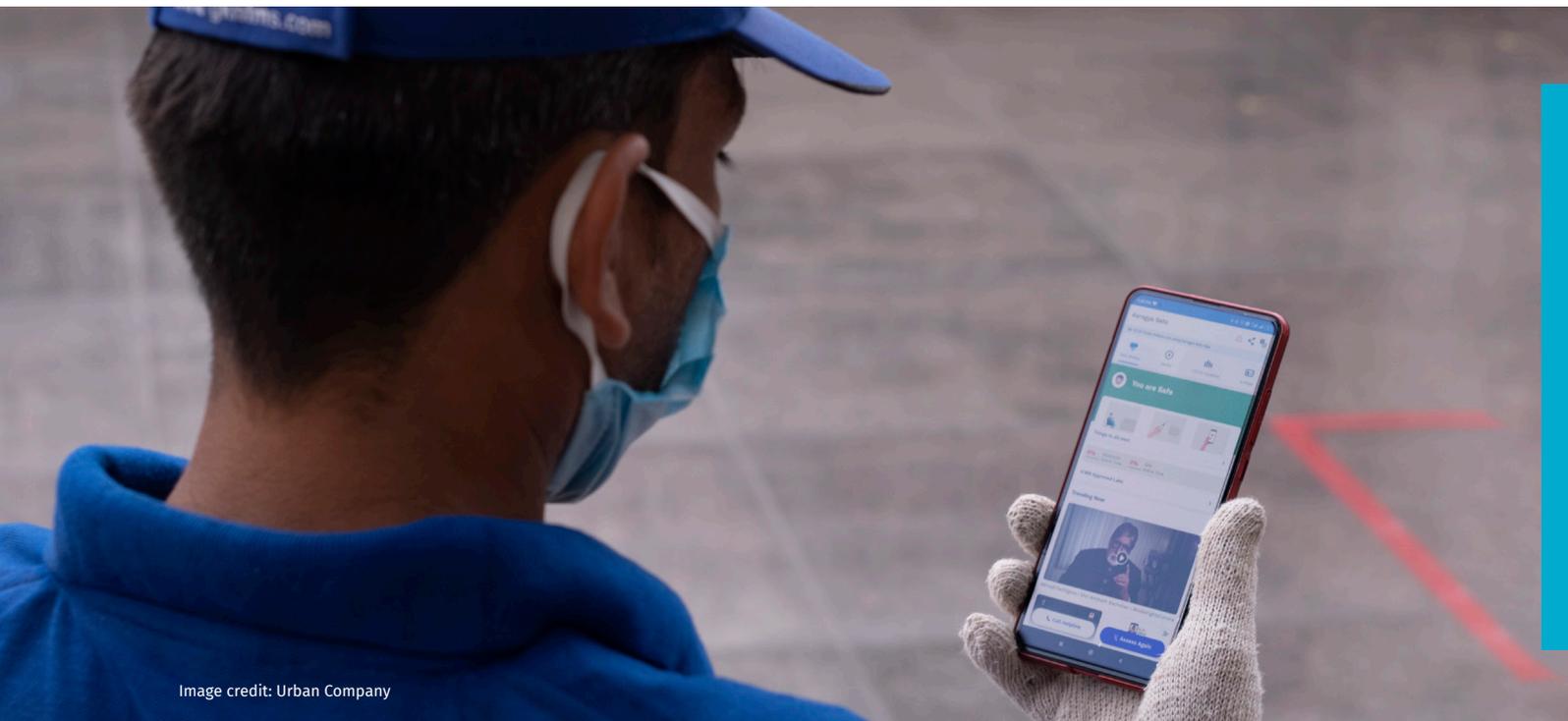


Image credit: Urban Company

¹² In almost all such aggregator companies that engage people through portals, the worker is usually contracted on incentive-based earnings and are paid based on units of "job done". They get paid for tasks such as food/commodity delivery, a car journey, or at-home beauty service, instead of a regular wage.

¹³ The nature of employment of such work and the absence of social security, exposes workers to vulnerability in the long run. In addition, the gig workers are unable to unionise and have low bargaining power of labour.

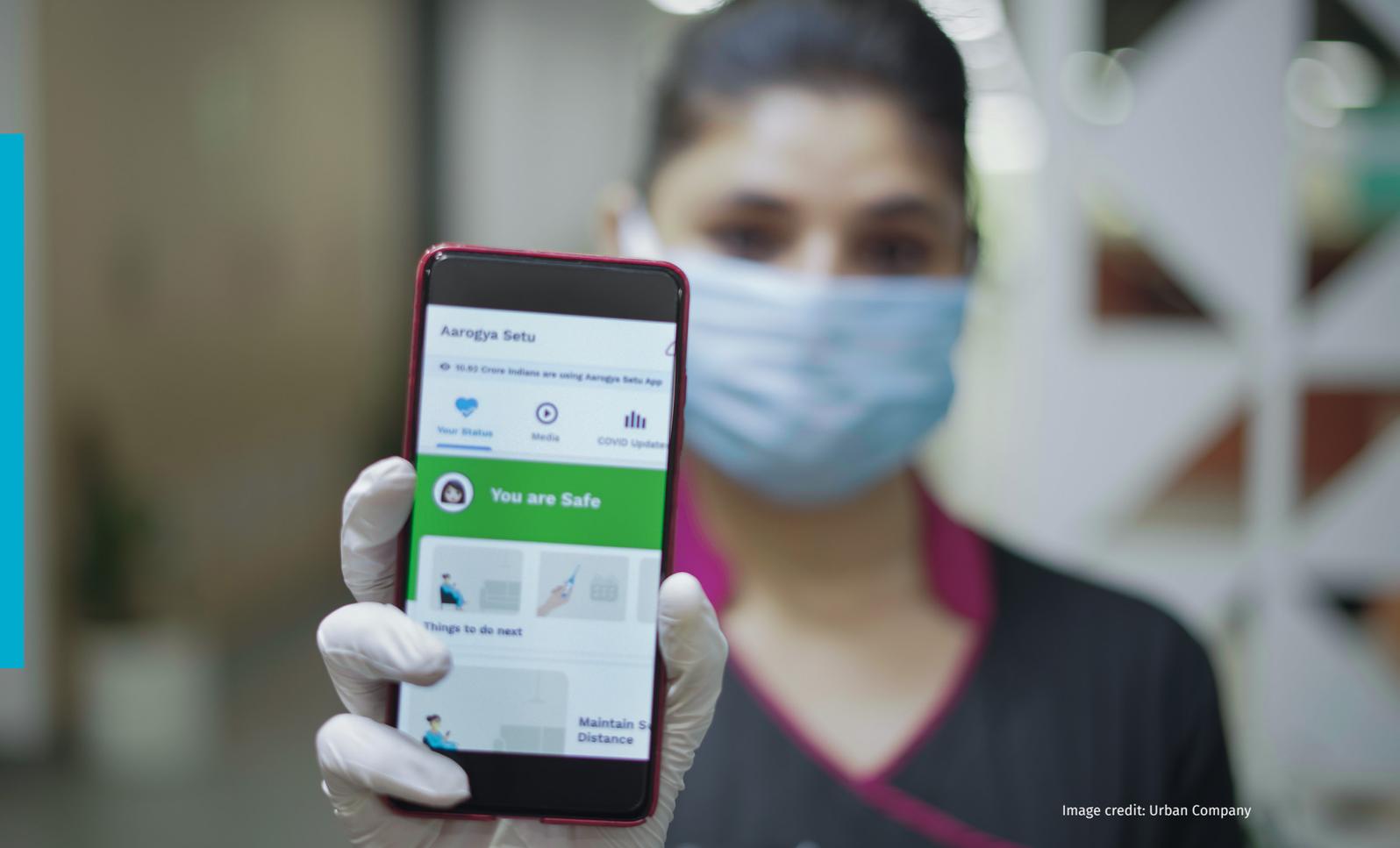


Image credit: Urban Company

bargaining power (Graham, Hjorth and Lehdonvirta, 2017). Besides, altering the nature of work (due to technological developments) is more noticeable in advanced economies¹⁴, where technology is widespread and labour markets are formal; whereas emerging economies have been grappling with vast scale persisting informality for decades. The character of gig economy has been contributing in blurring the divide between formal and informal work, thus resulting in a convergence of the nature of work between advanced and emerging economies.

On an immediate level, gig workers face significant challenges in terms of regularity of wages and working conditions. This is the component of the current gig work structure where the features of informal labour markets become pronounced. As gig workers are paid on the basis of completion of a certain number of tasks, this work can compromise regularity of income (Heeks, 2017; Graham and Woodcock, 2018). Also, many platform-based workers make less than minimum wage in their jurisdictions (Cherry et al., 2016; ILO, 2018a). This can be hard to regulate as payment is task-based (similar to piece-rated work) and not time-based, and platforms do not always have control over the volume of work being done. In developing countries, where wage rates are typically low, workers may be willing to work for less than minimum wage, and their pay, however, is still constrained by the availability of and demand for work (the flow of work for a platform employee can be volatile and uncertain). Conversely, when there are more workers than the available work; incentivising workers based on the number of tasks completed or on customer feedback may lead to the loss of a work-life balance and place the worker under duress. Competition between workers due to increased labour supply can push compensation down so that people may be forced to work longer hours and give up flexibility (Graham and Woodcock, 2018).

¹⁴Advanced economy labour markets are becoming more flexible; while emerging economies continue to be challenged by informality.

Most challenges faced by short-term contract workers are the same as those faced by informal workers. With most labour laws unclear on the roles and responsibilities of the employer versus the employee, these workers operate in a regulatory grey area. They do not have access to any protections provided to formal workers. This type of convergence, in the 21st century, is not what was expected. The changing nature of work caused by technology requires a shift of welfare benefits from the state instead of workers' benefits from employers. These alterations raise the question on the relevance of existing labour laws (World Bank Group, 2019).

The ILO Declaration on Fundamental Principles and Rights of Work recommends that workers be given adequate social protection and in their absence be given the freedom to form associations through which benefits can be appealed for and grievances can be redressed (ILO, 1998). Gig workers can be excluded from coverage by virtue of their classification as independent contractors. In cases where the employer is required to contribute, they may be excluded from benefits when thresholds are determined according to wage levels, working hours and regularity of work (ILO, 2015). The costs of protection against risks such as illness, disability and unemployment then fall on the workers. Surveys conducted by the ILO on English language micro-task platforms finds that only 55 percent of respondents have access to health coverage and only 34 percent make contributions to health insurance. Only 25 percent of respondents have access to pensions (ILO, 2018a).

The organisation of work through digital platforms where workers seldom interact makes it difficult for platform workers to form associations for collective bargaining (De Stefano, 2015; Graham and Woodcock, 2018). The lack of collectivisation hinders the ability of workers to negotiate with platforms to settle disputes and redress grievances. Platforms wield control over workers with respect to allocation of pay, distribution of incentives and the threat of de-listing. The precarious income combined with technological monitoring of workers may directly and indirectly discourage collective action (De Stefano, 2015). In the US, private sector unionisation is down to 7 percent, although there is rising non-union worker activism – there has been backlash against the practices of gig platforms like Uber and a fight for minimum wage (Liebman, 2016). Intermediary platforms like Turkopticon have emerged to address these issues through awareness campaigns and act as a space where workers can form associations (Silberman and Irani, 2016).



Changing Labour Practices in the Emerging Gig Economy

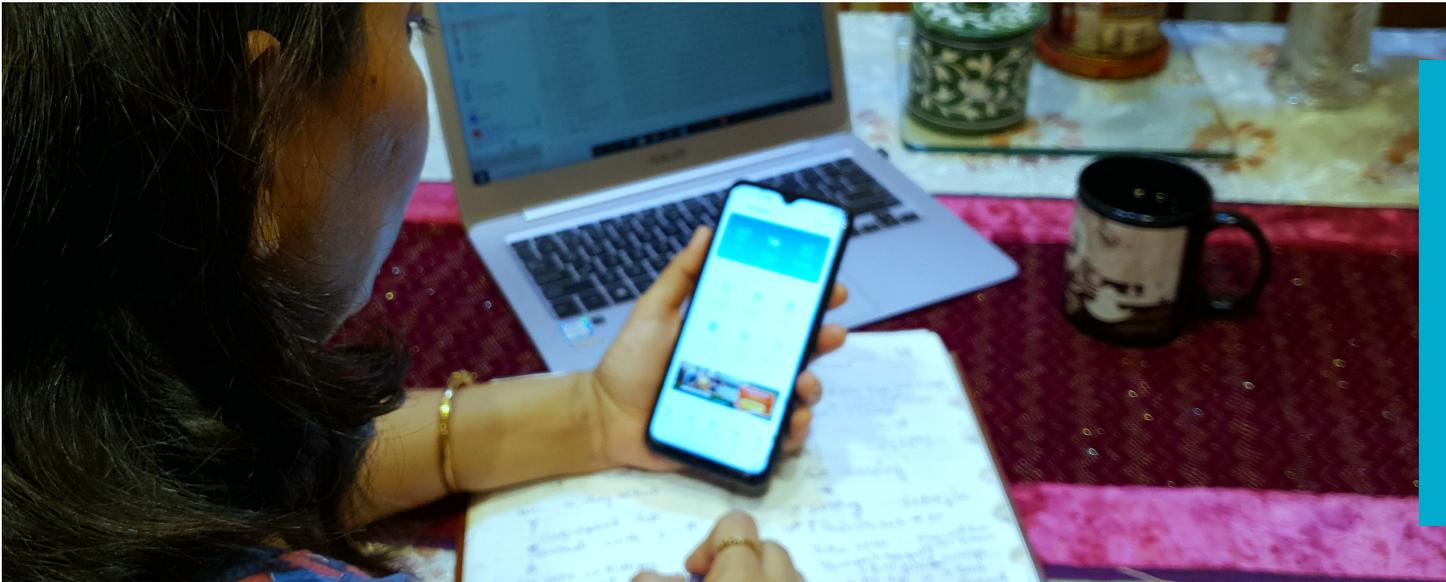
Powered by the technology revolution, the gig economy is altering the traditional ideas of employment. Conventional employment is typically characterised by secure work; basic labour rights such as safe workspace, minimum wage, etc., and access to social security benefits. To maximise profit, businesses are increasingly relying on gig workforce, even in those that have traditionally employed people conventionally. This is not a new phenomenon, businesses across most sectors have misclassified workers for several decades to evade responsibility as an employer and shift the risks onto the workers, especially since 2008. Gigeconomy is essentially using new employment structures to perpetuate well-established exploitative labour practices, to further the power imbalance between the employer and the employee. According to New York Times estimates, to classify drivers and other gig workers as employees instead of independent contractors, would cost an average of 20-30 percent additional investment.

The cost of misclassification is formidable for workers, businesses and society at

large. Gig workers are deprived of their fundamental labour rights, basic economic security and their right to unionise and collectively bargain for remunerations, and terms and conditions. Most gig workers experience high levels of income volatility. Often, they work several gigs for minimum wage. The trend of income insecurity is confirmed by a JP Morgan study between 2013-17 which states that, in the United States itself, as the supply of drivers working with Uber, Lyft and Postmates increased, the average transportation earnings of drivers concurrently declined by 53 percent. Additionally, traditional or responsible businesses who properly classify workers and follow labour laws might be pressed by market forces to take undesirable measures to stay competitive with their misclassifying counterparts.

There is a need for government and businesses to leverage technology to create more inclusive economies. This is possible by sharing the burden of risk, provide workers with income security, workplace protection, and right to collectively design and define the future of work.

2.4 THE RISE OF THE PLATFORM ECONOMY IN INDIA



Measuring the size of the gig economy in India poses several challenges. There is little evidence on the impact of online labour and usually, workers are the only stakeholders interviewed (Heeks, 2017). Further, the Uber-bias towards larger platforms extend to the survey population of these studies, and there is a lack of formal statistics and, thereby no reliable data are available on the employment generating abilities of this economy. Nevertheless, as per the Noble House survey report, 70 percent of companies surveyed had used gig workers at least once for solving major organisational issues in 2018¹⁵. The survey also revealed that there is gender parity in the gig economy as far as ratio of men and women are concerned (50:50), against the traditional workforce, where the ratio is about 70:30. Besides, gig jobs are mostly seen in large cities or towns which have higher job mobility. According to the data from TeamLease Services (a human resource firm), approximately 56 percent of new employment in India is generated by the gig economy, which is inclusive of both the blue-collar and white-collar manpower. Currently, New Delhi is the top destination for migrant workers joining gig economy¹⁶, as it added 5,60,000 people to its gig economy in six months to March 31, in the second half of the Financial Year 2019 (FY19), and therefore, recorded an 88 percent jump from the first half of the FY19. In comparison, Bengaluru's gig economy only rose to a moderate 29 percent in the above said period.¹⁷

The global freelancer market is worth \$2-3 billion and is growing at an annual rate of 14 percent and India presently accounts for \$1 billion of it.¹⁸ In the world of global freelancing individuals, India occupies about a third of the total market share. While the United States leads the race with 53 million independent workers, India is in second place with 15 million freelancers, spread across industries like information technology, programming, animation, content, academic writing, finance, human resources, design, marketing and sales, and those working with independent contracts¹⁹. According to Accenture's Platform

¹⁵ 'The Future of Work is Anywhere - Gig Workforce' by Noble House https://www.business-standard.com/article/companies/india-s-70-companies-have-used-gig-workers-in-2018-says-report-119030100933_1.html

¹⁶ It is apparent that the gig economy is drawing in both men and women as the service providers, many of whom are migrating from smaller towns and states to work in the metropolitan cities through these opportunities.

¹⁷ Compounded migration along with readily available job training is responsible for migrants joining gig economy. See: <https://www.livemint.com/companies/start-ups/delhi-and-not-bengaluru-is-the-place-to-be-for-gig-economy-workers-1555013405684.html>

¹⁸ <https://www.truelancer.com/>

¹⁹ <https://www.rediff.com/getahead/report/career-what-is-gig-economy-the-future-of-indias-workforce/20190205.html>



A key informant from Housejoy shared how Uber's popularity made them change their business model: "We started in 2014 with various home services" (beauty and wellness services, yoga and fitness training, Zumba dance, home cleaning, etc.). 'Beauty-at-home' was the most sought-after service and we paid 20-30 percent more to these workers than beauty parlours, and provided transportation to them. We only hired workers who had four to five years of work experience and had a rigorous selection procedure in place. But when Uber model became popular, Housejoy adopted the same business model, and as a result went through a huge transition in 2017. At the time, Housejoy had 500 beauty professionals. After switching to a new model, we converted all our workforce's status into 'independent contractors' and started taking commission".



Readiness Index (Mathur, 2016), India along with the United States and China, is expected to lead the platform economy by 2020. This can be evidenced by the growth of on-demand digital service provider platforms in the country as in the last five years itself, 300+ new on-demand platforms have been set up in India. These platforms include large-scale, multi-service supply aggregators like Urban Company and Housejoy as well as standalone service providers like MyGlamm, Purple and Belita. The industry also includes a few hyperlocal players like Belita, DoorTask and Unplan that caters to specific states in India, or sub-regional clusters (Chopra, 2017).

It is difficult to miss the high number of young women and men working for different platforms in urban India, however, the skill-based segregation of such work gains prominence when gig workforce in India mostly appears to be working for aggregator companies: as cab drivers (for Uber India/Ola), delivery executives (in Zomato, Swiggy, UberEats, etc.), service providers (in Urban Company, Housejoy, etc.) and so on. On the other hand, freelancers work in industries such as information technology, programming, and animation, etc. As a result, the former commands much lower earnings and poorer conditions/contracts of employment compared to the latter. This is due to the extremely specialised and technical knowledge/skills that drive the latter types of employment.

The steady expansion of the platform economy in India has been enabled by both demand for services provided as well as a steady supply of workers willing to take up jobs. As of 2017, popular blue-collar job-posting platform Babajobs (now QuikrEasy) had 8.5 million registered users (ILO, 2018b).

Housejoy, Urban Company's direct competitor advertises having served over two million customers ('Housejoy|About' 2019). The demand for platform workers, according to Raval and Pal's study on 'professionalism in beauty-work platforms', is the result of the rise of an upwardly mobile professional class in the country. This professional class employs informal workers as a parallel underclass worker to perform lateral services such as cleaning, security, beauty and wellness services, etc. Platforms enable the 'professionalisation' and subsequent commodification of this work in the context of contracted self-employment (Raval and Pal, 2019). The growth of these platforms leads to the growth of available jobs and demand for workers. BetterPlace, a leading blue-collar recruitment and onboarding firm finds that of over 21 lakh jobs estimated to be created in India in 2019-2020, over 14 lakhs of them will be gig related. These jobs are often concentrated in metro cities like Delhi-NCR region, Mumbai, and Bengaluru. This is likely to contribute to increased levels of rural-urban migration by potential workers with a limited skill profiles seeking to earn

higher wages in emerging and urbanised locations (BetterPlace, 2019). However, improved working conditions and better wages are not always assured.²⁰

These gig/platform jobs are not only different in the nature of its operations (since they all operate through mobile application-based technology) but are also redefining the employer-employee relations, job conditions and worker rights. In almost all such companies that engage people through portals, the employee is usually contracted on incentive-based earnings and are paid based on units of 'job completion'. Policy makers need to carefully consider this situation because in a country like India, where non-standard forms of employment are not new and has a whopping 92 percent informal jobs (contributing to 50 percent of the national product), gig jobs contribute a new kind of informality, which makes the existing challenge more difficult to resolve. Many workers do multiple jobs for numerous employers on piece-rate basis. Platform work in India, then, can be seen as a 'professional' reproduction of this informality. In India, platform workers are categorised as independent contractors, and not as employees, which makes it difficult to bring them under adequate protections.

Moreover, the regulatory framework fails to capture the entirety of platform work in India. The Union Labour Ministry of India recently introduced the Labour Codes on wages, industrial relations, social security and occupational safety, health and working conditions which are sought to subsume as many as 44 central labour laws. Out of the four Labour Codes, only the draft Code on social security mentions gig worker, who is defined as, 'a person who performs work or participates in a work arrangement and earns from such activities outside of traditional employer-employee relationship' and platform work as, 'an employment form in which organisations or individuals use an online platform to access other organisations or individuals to solve specific problems or to provide specific services in exchange for payment' (The Code on Social Security, 2019). However, the provisions for gig and platform workers lie under the chapter on unorganised workers, thus treating these workers as informal. The draft has provisions to empower the Central Government to formulate schemes relating to life and disability cover, health and maternity benefits, old age protection, education, housing, and any other benefit as maybe determined by the government. Further, it has a provision for the Central Government to constitute a Social Security Fund for gig and platform workers. This move can serve to benefit the gig workers – who do not have a fixed place of employment – by granting them legitimacy in matters of social protection (Kumar, 2019).

By excluding gig and platform workers from the Code on Wages Act, the government has essentially kept them out of the purview of minimum wage legislation, equal pay for equal work, Employees' Provident Fund, Employees' State Insurance schemes and gratuity (Jha, 2019). Under the new Code on Wages, an 'employee' refers to any person who is 'employed on wages by an establishment to do any skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work for hire or reward', while a 'worker' is defined as any person 'employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward' (Code on Wages, 2019). Both these definitions exclude the nuances of the platform worker. However, trade unions and association of workers have taken into cognisance these lapses and are demanding adequate social protection for platform workers²¹.

²⁰ It is important to bring into notice the case of the provision of 26 weeks of Paid Parental Leave to new parents, men and women, in the organisation. The policy also extends in the case of surrogacy, adoption and same-sex parents (Goyal, 2019). But the catch is that the provision is only for Platform's employees and not service providers. For e.g., Zomato's extended paternity leave to its corporate employees worldwide who add up to 5000 in number and not for the company's 180,000 delivery executives, most of whom are in India (Iyengar, 2019).

²¹ A recent Supreme Court ruling declared that women who work from home doing piece work for the textile industry could also be considered 'employees' for the purposes of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

2.5 THE ROLE OF WOMEN IN THE PLATFORM ECONOMY



Image credit: Urban Company

The International Labour Organization (ILO)'s Decent Work Agenda framed the concept of social upgrading – 'employment standards and rights at work, social protection and social dialogue. This package promotes work performed under conditions of freedom, equality, security and human dignity, in which rights are protected and adequate remuneration and social coverage is provided' (Barrientos, Gereffi and Rossi 2011). Different workers are faced with vastly different opportunities for social upgrading, depending on their social conditions and the kind of employment they are subjected to. The unskilled workers in gig economy are paid below minimum wages and are not covered by any type of social protection. The most vulnerable groups – women, ethnic and internal migrant groups – often faced with double discrimination on account of both their social and employment status. These workers are, therefore, more likely to suffer 'decent work deficit' and be denied the access to enabling rights.

At the outset of the platform economy, it was expected that the gig jobs would allow women who have domestic and care responsibilities to balance these with income earning opportunities. Women can utilise the flexibility feature of platform work to balance their responsibilities and also to re-enter the job market after taking a break from employment. However, this is not the case as the assignment of work on app-based work platforms is often gendered. As has been depicted in many studies, the creation of new opportunities as a result of the proliferation of platforms has been highly gendered, allowing women to 'professionally' take up work that is either highly stigmatised (beauty services, massage services etc.) or formalised care work (nannies, nursing etc.) (Ticona and Mateescu, 2018). Also gig economy does not necessarily reduce the economic penalties of care work on women and provide them with equal opportunities and equal pay. In service verticals where both women and men can occupy the labour market, such as ridesharing, it is found that on an average men earn roughly 7 percent more per hour than women due to limiting factors such as location (male drivers may be more willing to offer rides in more

'lucrative' areas where crime rates are high and safety risks are present) and accumulated experience that is often reflected in ride accepting strategies, user ratings etc. (Cook et al., 2018).

Raval and Pal's ethnographic study of women's lives in the beauty sector finds that these women-heavy sectors can be undervalued and trivialised. The provision of beauty and spa services²² is stigmatised like other care occupations such as nursing, as these professions necessitate bodily contact with strangers. Further, services like beauty and cleaning work that necessitates the professional worker to enter the home of the customer often requires the worker to take up hidden care work and emotional labour (Raval and Pal, 2019). Women in India constitute only four percent of the blue-collar economy and they prefer to work in the professional fields of security, facilities, and cleaning, and as non-teaching staff in schools. The verticals that women prefer to work in also constitute only a small percentage of available jobs. Of the 21 lakhs plus jobs created in 2019, jobs in the beauty industry constitute only 1.17 percent whereas jobs in cleaning and schools constitute 11.88 percent and 2.33 percent respectively (BetterPlace, 2019). Media and other reports suggest that few women work as mid-level executives (high or medium-skilled) and are more into traditional, less skilled activities, working for platforms such as Urban Company, Housejoy and so on which provide beauty and salon services on demand at home²³. These jobs though informal in nature, provides additional flexibility as compared to regular and salaried salon-based jobs, enabling women to balance the needs of work and family.

However, the limited representation of women in the gig economy is indicative of a larger trend in the Indian labour market of declining female participation in the workforce, further entrenched by limited access and opportunities. Female labour force participation is not only influenced by socio-economic constraints such economic growth/cyclical effects and urbanisation but also a number of gendered factors such as educational attainment, fertility rates, and age of marriage (Chaudhary and Verick, 2014). In the future of work where value of labour may be marked by the rate of technological adoption, women's reduced participation may be due to the digital gender divide (Mawii, 2019). As of 2016, only 58 percent of Indian women were found to have mobile phone access as opposed to 76 percent of Indian men (FII, 2016). This divide can be observed not only in app-based work, but also in freelance and microwork. In a survey conducted by ICRIER, it was found that only 26.75 percent of freelancers in the sample were women (Kathuria et al., 2017). If employability becomes reliant on technology and digital skills, then Indian women's limited access to digital tools may lead them to fare badly.

Additionally, there is a dearth of rigorous academic research on the aspect of changing structures of service sector labour practices, organisation of work and its implications for informal women workers. Reports by market research organisations such as PwC and McKinsey clearly indicate that low-paid, less skilled work dominates India's gig-economy indicating a transition of the workforce into these newly altered informal labour practices, where aggregator companies play a big role in further informalising the processes. A recent report by the ILO does caution about these new business models facilitated by internet/mobile/digital technologies which potentially threatens to sabotage existing labour market accomplishments in areas such as job security, improving employment formality, social protection, and labour standards (ILO's WESO Trend Report, 2019).

²² A full list of beauty platforms in India is provided in Annex-2.

²³ There is a lack of formal statistics and thereby no reliable data are available on the number of gig jobs created so far in India. The proliferating media reports are indicative of evolving gig trend.

3

STUDY DESIGN AND METHODOLOGY



The digital gig economy in India has quickly gained prominence over time and continues to enhance opportunities for many, including youth and women. This study is premised on the fact that the gig/platform economy is engaging a large number of women as part of its workforce. In this context, it is important to understand the extent and magnitude of this sector in terms of women's employment, and study the working conditions that define these jobs. Another hypothesis of interest relates to the inevitability of 'informalisation' of work/labour relations within the sector, in which managerial controls often rests with a third party who may not actually be the employer; thus, giving rise to complex processes where rights of workers may get further diluted in the absence of accountable employers and complying regulatory mechanisms.

As part of IWWAGE's broader mandate of generating evidence around women's economic empowerment, we specifically selected Urban Company²⁴ for the purpose of this study, as it is one of the largest online service platforms of India and provides a range of on-demand household and professional service. Urban Company operates in more than 17 cities in India, whereas other such platforms in the hyperlocal services space, including Housejoy, Handyhomes, etc. continue to remain a one-city and one-class/category phenomenon (See Box 6 for details). The study particularly focusses on Urban Company's women partners'/service providers'²⁵ offering beauty, salon and wellness services. We preferred this platform, as it partners with a large number of women for catering to this segment of the service sector (total 8,000), and also because this segment is its most lucrative, as it contributes over 40 percent to its revenue.²⁶

²⁴See Box 6: Business model of Urban Company.

²⁵These service providers are usually referred as partners.

²⁶<https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/urbanclap-to-focus-on-beauty-and-home-to-shut-down-other-non-core-businesses/article-show/71695320.cms?from=mdr>

Broadly, the study analyses the nature of labour practises, changing nature of employer-employee-aggregator firm relations, remuneration and conditions of work. To do so, the study adopted a mixed method approach, and employed both quantitative and qualitative survey methods, which included primary data collection (this is an important component as there is an evident gap in any secondary information on such jobs), Focus Group Discussions (FGDs), and Key Informant Interviews (KIIs) of academics, experts, as well as the aggregator company representatives.

Primary data was collected in November 2019 through a telephonic survey, for a total of 88 women service providers (1.1 percent of the total women service providers in this segment). Of the total 88 surveyed, 46 were surveyed in Delhi NCR and 42 were surveyed in Mumbai. A detailed structured questionnaire was prepared to inspect various elements related to platform work (See Annex 3).

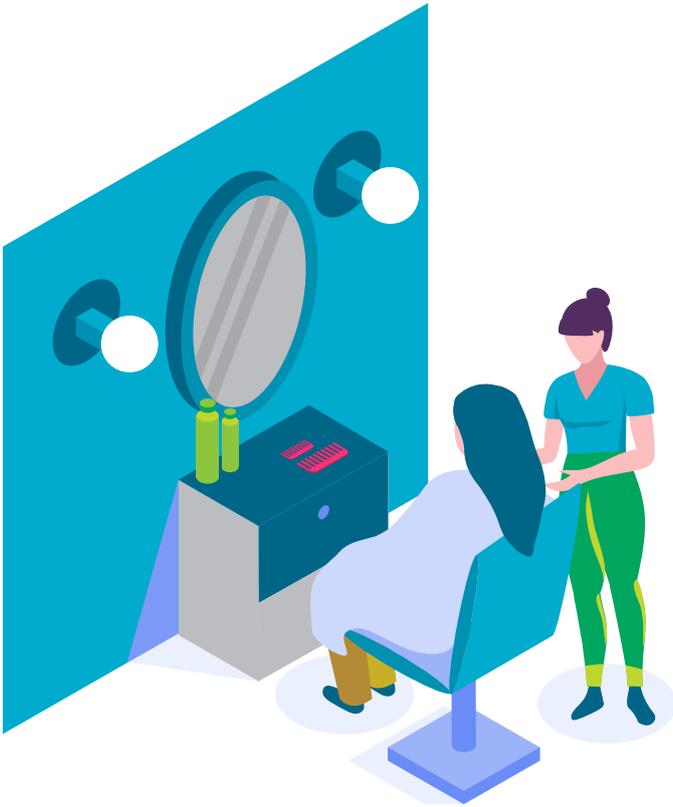
Additionally, two Focus Group Discussions (FGDs) were conducted with the partners (service providers) of Urban Company in February 2020, with a total of 15 participants (seven males and eight females), who provide services in Delhi and Gurugram²⁷. The female participants worked in the beauty and spa segment of Urban Company, while the male participants worked as plumbers, electricians, and carpenters. The discussions were conducted in two separate groups – one with the female participants and the other with the male partners. The participants were identified and contacted through the information provided by Urban Company themselves. A comprehensive FGD interview guide was prepared and probing follow-up questions were also used following the standard qualitative interviewing procedures. Both FGDs were audio recorded (which were later transcribed and translated into English, while keeping all names and identity information confidential), and notes were also taken during the discussions. Through this qualitative tool, the experience of service providers with regards to working hours, benefits, remuneration and working conditions was explored.

Table 1: Number of trained professionals employed by Urban Company

Year	Male	Female	Total
2016	1,250	450	1,700
2017	2,700	1,300	4,000
2018	5,500	4,300	9,800
2019	12,000	8,000	20,000

Urban Company has grown tremendously in size and revenue over the last couple of years. In 2016, it had only 1,700 trained service professionals, which grew exponentially (at an average annual growth rate of 128 percent during 2016-2020) and stands at 20,000 in 2019. Of the total 20,000 service professionals, women comprise 8,000 (40 percent), and are mostly concentrated in the beauty, spa and fitness segment (see table 1). In fact, the size of women professionals grew at an average annual rate of 169 percent, compared to 113 percent for men, during the three years' period.

²⁷ Urban Company has about 3000-5000 service partners in Delhi and Gurugram.



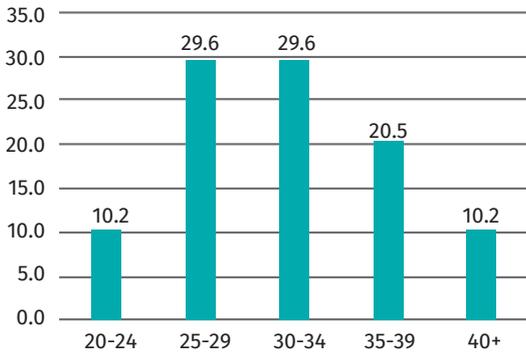
Urban Company's Business Model

Urban Company, (formerly UrbanClap) founded in December 2014, is one of the largest online services platforms in India, which provides an end-to-end service delivery, in the hyperlocal services segment. It has redefined how local services and servicemen were being hired in India. Numerous start-ups catering to on-demand services sector have been set up in India in the last five years (these include both horizontal firms that have numerous services categories, and category-specific aggregators providing specific services such as laundry, beauty and fitness, home cleaning, plumbing, wedding planning, photography), but Urban Company has pioneered the app-based aggregation of local services in India. It facilitates the 'professionalisation' of home services by matching workers to demand (for a fee), and designating contractors as 'Urban Company Partners', replete with a mandatory uniform and vocational training.

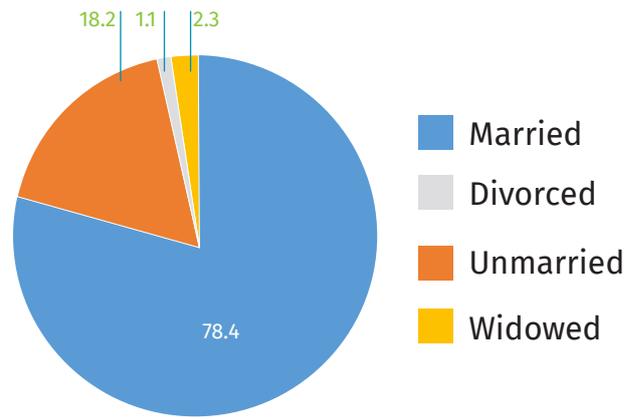
Urban Company currently operates in 17 cities in India as well as in Dubai and Abu Dhabi, employs around 20,000 trained professionals and served over 5 million customers, since its inception. It provides a total of 118 services across an array of service verticals including beauty, salon/spa, appliance repair, home cleaning, home repair, fitness, skill training etc. Beauty services is the company's most important category, and brings in the highest proportion of revenue. Apart from its general on boarding and training practices, Urban Company also often brings specialised skill trainers for verticals like salon services, home repair etc. The company has also partnered with National Skill Development Corporation (NSDC). By providing training and establishing a uniform code of conduct, Urban Company has attempted to formalise petty services that were prevalent in the informal economy.

Figure 1: Demographic particulars of respondents

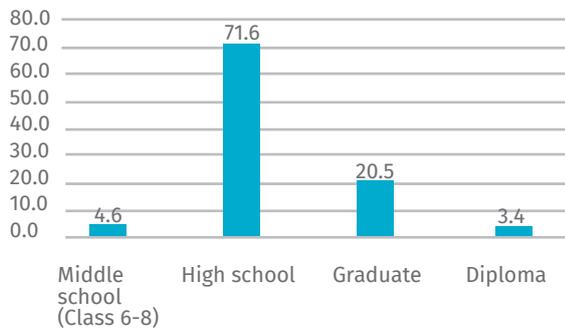
Age distribution of respondents



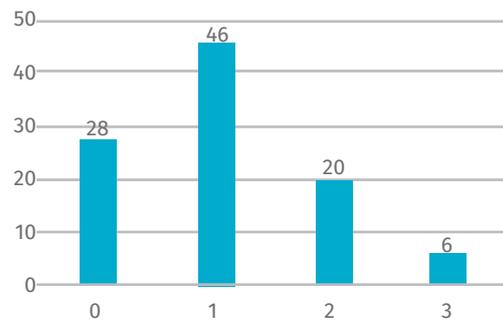
Marital status of respondents



Educational attainment of respondents



Number of respondents' children aged 0-14 years



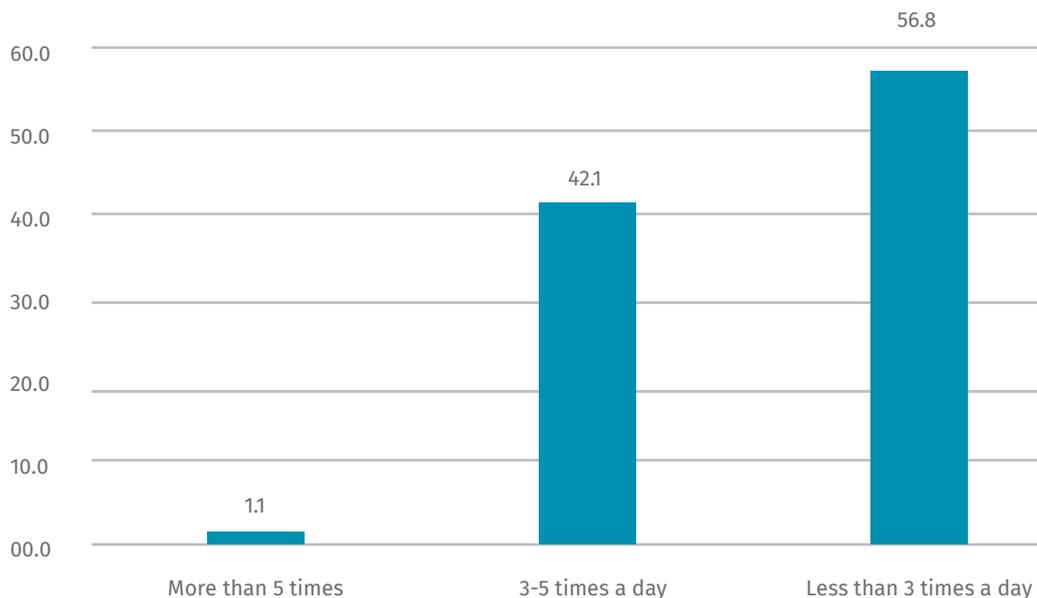
The average household size is 4.2 and more than 71 percent households are nuclear - with both married partners working. Our survey reveals that for 60 percent of our respondents, gig work is the primary source of family's income, followed by regular wage/salaried employment (33 percent). Consequently, 60 percent of surveyed women indicated that they are the main earning member in the family. In households where women are not the primary earners, 80 percent of their spouses or other members of the family are the primary earners with regular wage/salaried jobs. It is fascinating to note that such a large proportion of the sample are breadwinners for their families, i.e. these women are crucial economic actors and provide critical financial support to their families. This has given more power to these women and changed their status in the family, and has also altered their socio-economic status in the society - as was revealed by many respondents during the FGD (discussed in detail later).

Of the respondents surveyed, 95 percent revealed that they are the only ones in their households engaged in the platform economy. Literature suggests that flexibility and autonomy over time use is one of the most attractive features of the gig economy, the reasons for which are spelt out exhaustively in the literature review section³⁰. The

³⁰ The flexibility of gig work enables women to offer services (they are skilled at) and schedule their work according to their availability. However, existing literature hints that there are distinct signs of occupational segregation, as women are more involved in traditionally female-oriented jobs such as hairdressing, beauty, and housekeeping. Women take on these roles because of their acquaintance in that line of work, the principles of societal norms, and their risk-averse nature; whereas men in the gig economy are mostly involved in jobs such as delivery, driving, and home repairs.

same is confirmed by our survey findings, wherein 85 percent respondents are satisfied with the flexible timings, with 37 average work hours per week. Most of the women find this arrangement suitable as it takes care of their household and other unpaid care responsibilities. But this flexibility comes with the risk of not having a regular and stable monthly income (this is corroborated with our FGDs findings).

Figure 2: Number of services provided per day on the platform



Survey findings bring out that women’s average daily earnings are Rs. 1,552, which depends on the number of tasks performed (as 98 percent women reported that they are paid per task). These women earn significantly higher as compared to a salon job (where average monthly income ranges between Rs. 8,000 – Rs. 10,000, and a relatively long average working day of 10 hours or so). Women prefer working with Urban Company as they are able to earn more with a flexible schedule, which allows them to combine their family responsibilities with paid work, and also contribute to their families’ economic welfare. This also came out during our FGDs, which are discussed in detail later.

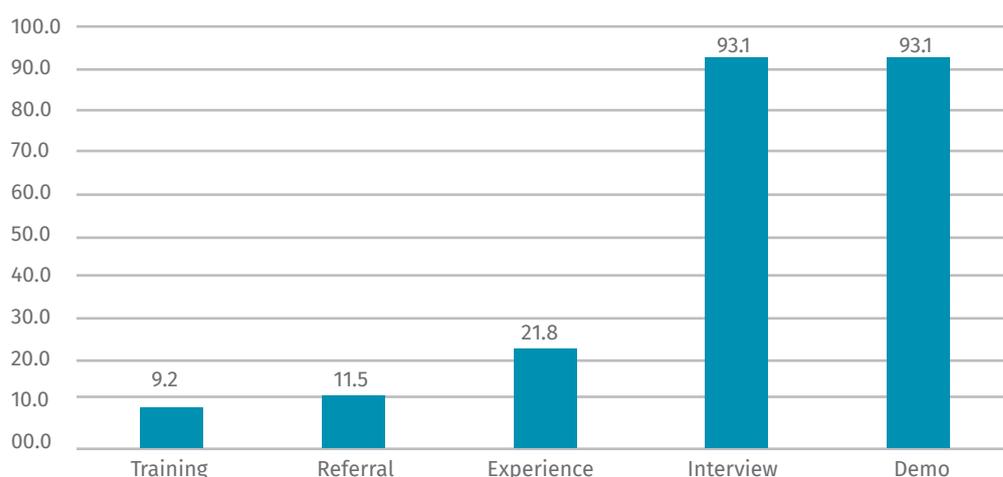
57 percent women reported that they service less than three calls per day and 42 percent of respondents’ service between three to five calls each day (with multiple tasks in each call). Only one out of the surveyed women reported to service more than five calls a day on the platform. This is reflective of the fact that most women are bound by their unpaid work responsibilities and can only dedicate a part of their day to paid employment.

Informal social networks are a viable way of getting to learn about available jobs and our survey findings confirm the same. Most of our respondents found out about the potential employment opportunities with Urban Company through personal networks consisting of friends, neighbours, family and relatives. 74 percent of the respondents landed in their current jobs by leveraging referrals from these networks. Only 18 percent women found out about this opportunity through a formal advertisement (online or offline). This brings out the importance of networking in finding work, which is similar to what we observe

in the case of an informal sector, where job search channels are same and people get information about potential employment opportunities using their social networks.

It is also a universal fact that these women have to undergo a selection process, which includes evaluation across various parameters. In terms of the recruitment process, an in-person interview and demonstration of skills and techniques appear to be the two key criteria used by Urban Company to evaluate a prospective service provider. Post recruitment, almost all women are subjected to the same induction process: a training session consisting of how to use the platform, details on the various job requirements, and instilling a sense of professionalism (look for more details on this in the FGD findings).

Figure 3: Evaluation criteria for selection procedure



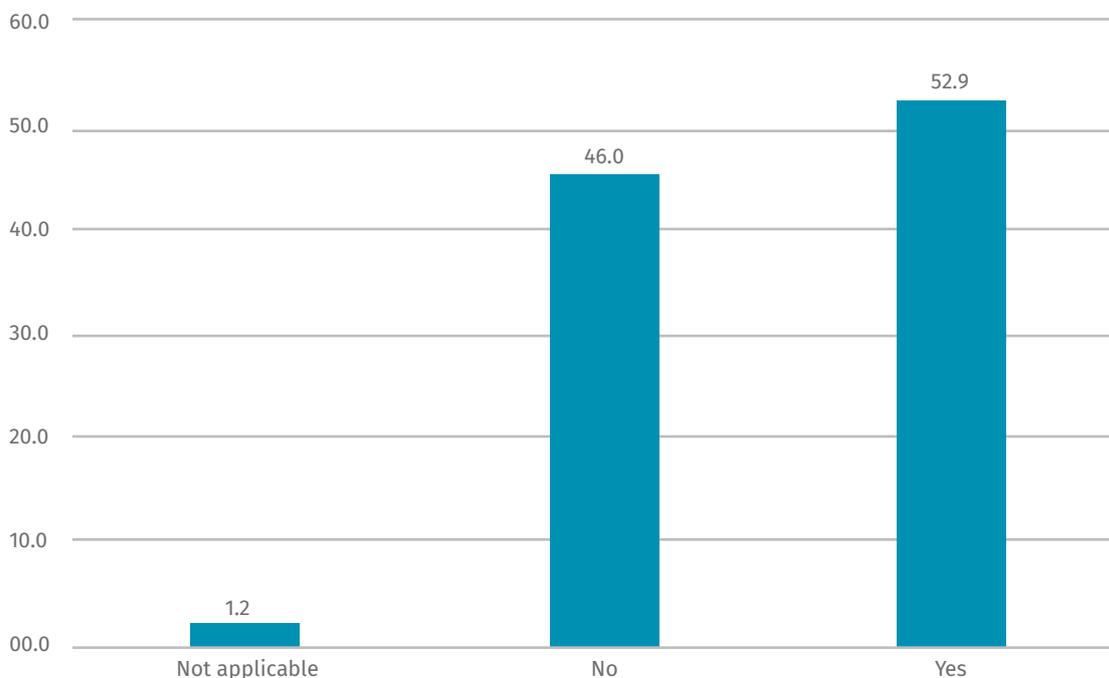
In terms of benefits and other remunerations, women service providers of Urban Company only receive one medical insurance (92 percent), and over 90 percent respondents have utilised/benefitted from that. Although Urban Company identifies service providers as partners and not employees (they are also not given any written contract), they are not bound to pay any other remunerations/non-wage benefits as mandated by the regulatory framework such as the maternity entitlements, retirement entitlements, other incentives/allowances and so on.

In general, there are no safety nets for gig economy workers, which is also the main criticism of this economy. To strengthen the relationship with its professionals,³¹ Urban Company took a first-in-class initiative, under which the insurance cover is extended to its partners. Another top player in this segment of services is HouseJoy, which offers free insurance to its professionals.³¹ Similarly other platforms such as Zomato, Swiggy, Uber and Ola also offer various insurance benefits/services to its delivery executives and driver partners’.

³¹ For details, see: <https://www.livemint.com/companies/start-ups/urbanclap-extends-insurance-benefits-for-its-partners-11572251384899.html>.

More than 50 percent of the surveyed gig workers said they were subjected to penalties by Urban Company for declining jobs, after accepting it initially. This can be an attempt by the platform to manage their work, encourage professionalism among service providers and timely delivery of services to customers. Insights from our FGD discussions reveal that it is a standard practice by Urban Company if a service provider cancels or declines the job. However, no penalty is placed if they reschedule the service call.

Figure 4: Distribution of respondents by penalties faced for declining jobs

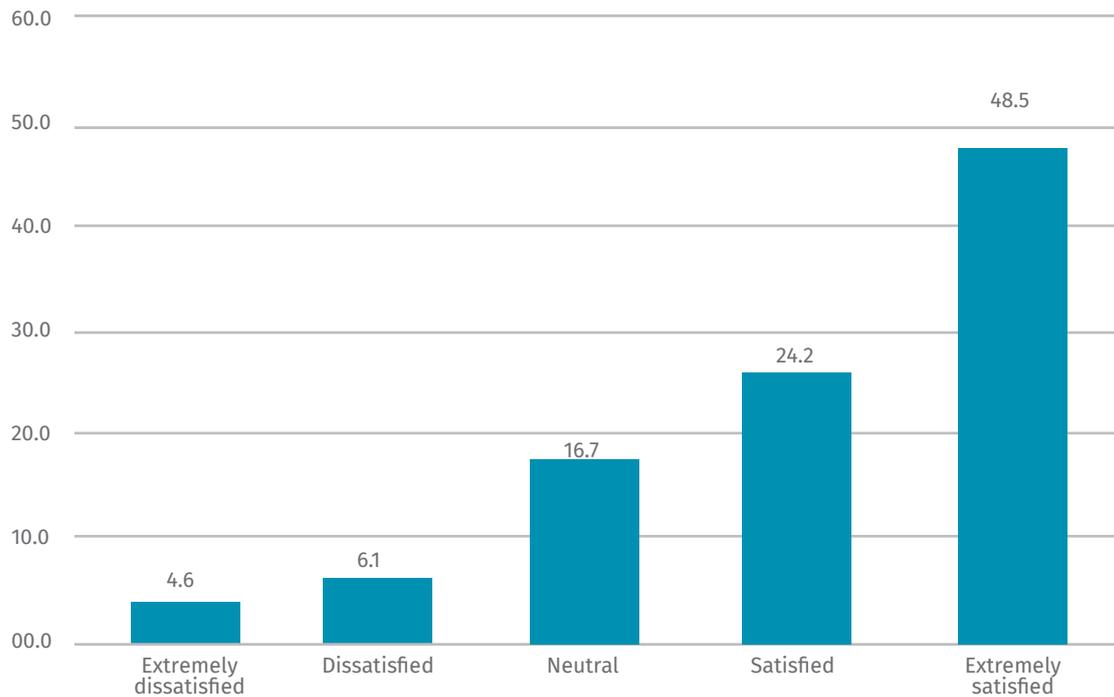


Urban Company has a forum for redressal of complaints and grievances and about 78 percent of the surveyed people have also utilised it, of which most people are satisfied/ extremely satisfied with the functioning of the forum (73 percent) and only 10 percent are either dissatisfied or extremely dissatisfied with it.

Finally, in terms of grievance redressal, our survey received a mixed response. When asked about their level of satisfaction with regards to various components of their jobs; majority of the women feel extremely satisfied/satisfied with the flexibility of the timings (85 percent), access to customer base (74 percent), experience dealing (84 percent), support in terms of inputs (59 percent), opportunities for learning (85 percent) and training provided (93 percent). The women surveyed were also appreciative of the level of income they earn (in comparison to similar platforms), the constructive feedback they receive from Urban Company and opportunities to improve their skills.

There were, however, few issues which left over half the service partners extremely dissatisfied. These included dispute settlements between service professionals and customers; as well as grievances related to incentives and increments, maternity leaves

Figure 5: Level of satisfaction with the complaint/grievance redressal mechanisms of the platform



and the incurrence of cancellation penalties even in emergency situations. Further, with weak access to social security, workers were mostly dissatisfied due to the lack of maternity benefits (81 percent) and no incentive or increment system (63 percent). Women also reported of not having adequate forums for dispute settlements vis-à-vis the Urban Company customers, where in most cases, service professionals responded to being dissatisfied with the treatment meted out by both the aggregator company and its customers. It was also observed that there is a lack of organisation and appetite for collective action among these women workers, as they remain isolated and hardly interact with each other, and work in different localities for diverse customers. It remains very much an independent pursuit, and there are no formal opportunities to connect with other Urban Company service providers.

5

KEY FINDINGS FROM FOCUS GROUP DISCUSSIONS

5.1 PARTICIPANTS' SOCIO-DEMOGRAPHIC CHARACTERISTICS



Females: A total of eight women working with Urban Company in Delhi and Gurugram participated in the FGD. All participating women worked as beauticians with the platform. Their mean age is 32.5 years and they are between 24-42 years of age. All except one are married. Except for one woman, all have dependent family members (children, elderly or sick relatives). On an average, these women have been associated with Urban Company for approximately two years, and one of them have been associated with the platform for the last five years (since its inception). Previously, six of them were employees at a salon, one of them owned a salon of her own and one provided home services. But since joining Urban Company, they have given up everything else and are associated with this platform. Gig work is the primary source of income for all families except one. On an average their net monthly income (after subtracting the compensation and the cost of all other inputs) stood at around 40,000 rupees, and ranges between a maximum of 80,000 rupees and a minimum of 20,000-25,000 rupees per month. They work around 10-12 hours per day on average, including travel time.

Males: A total of seven male partners working with Urban Company participated in the discussion. These men are between 25-35 years of age, and of the total participants, two are working as electricians and five are engaged as men's grooming service providers. Their uniforms varied according to the services they provide. Five of them are married



Image credit: Urban Company

and two are single. All of them are primarily engaged with Urban Company, and this is the primary source of income for their family. The reported average monthly income for electricians is roughly 32,500 rupees, and for men's grooming service providers is close to 45,000 rupees. The average working day lasts between 10-13 hours.

5.2 ANALYSIS

5.2.1 Becoming a 'Partner' with Urban Company

There are three main requisites for any individual to join as an Urban Company partner: i) bank account; ii) proof of identity; and iii) Urban Company prior experience in the related field of professional work (i.e. electrician, beautician, house cleaner, etc.) According to the participants, Urban Company prefers younger candidates, not more than 45 years of age, and does not permit inclusion of candidates with disabilities³² (as it is deemed challenging to perform the work). As detailed in the previous sections, candidates undergo an intensive selection/evaluation process, after which the candidate's identity is also

³² Despite legislation of Persons with Disability (Equal opportunities, Protection of Rights and Full Participation Act, 1995), people with disabilities still do not experience the same access to work opportunities as do their counterparts without disabilities. So finding and sustaining work is the biggest challenge for them.

verified; and an Urban Company staff member visits the candidates' home to verify the identity documents and for background check. This is done to build credibility on the identity of the professional.³³ There is no written contract of partners with the platform - all terms are agreed upon verbally. In other words, partners are identified as independent contractors, and not as employees, and therefore, are not given any working contract.

Those who are finally selected (after careful and exhaustive selection procedure) are required to buy a kit which contains all products, appliances, uniform, etc. The kit costs around 25,000-35,000 rupees. This is an initial fixed investment for the business. Urban Company provides loan options (in collaboration with a bank) to support partners who are unable to pay this amount upfront. The women partners surveyed took an average of two to three months to repay the loan amount, along with interest payment.

5.2.2 Training

Training is mandatory and therefore, each woman partner has to undergo an induction training for 10 days. They are trained to do everything from packing and unpacking the Urban Company kit bags, to navigating the platform smoothly using their mobile phones, and client interface. They also undergo a training and technical demonstration session for all the services that fall within their broader trade. Further, there is re-training every three to six months for everyone, they are paid 2,000 rupees for each day in case of re-training. Additionally, if a partner's rating becomes low, they are required to attend a mandatory re-training session to remain on the platform as a partner.

Similarly, for men, 10-15 days of training is provided. After training, a practical analysis is done, but partners are not terminated if their skills are not up to the mark, they can take the service according to their skills.

5.2.3 Inputs (raw material) and Distance Covered

During the discussions, partners shared that in terms of the products and materials used while performing services, they are permitted to buy them exclusively from Urban Company. Urban Company Orders are placed online (on the app), which is then delivered to their homes. These products are usually priced at a discounted rate (in comparison to if purchased directly from the retail shops). Also, these products have Urban Company's branding. One partner shared that this was advantageous for them because, "this ensures good quality of the product, and branding on the products is reassuring for the clients. Further, home delivery gives us more free time in which we can choose to work, as we don't need to spend an entire day at the market to procure raw materials for our jobs". But others felt that the quantity of the products had been reducing over time, and in some cases, products are missing.

One of the men interviewed also confirmed the same - "We can only use products of the brands which are recommended by Urban Company and we have to buy these products from the market. Another male participant shared "Sometimes we get the booking from area which is around 15-20 km away and we can't avoid that booking, we have to go anyway. There is no travelling allowance, in fact, we bear the travelling costs ourselves. If we have our own vehicle, we bear the cost of petrol ourselves".

³³ <https://cio.economicstimes.indiatimes.com/news/strategy-and-management/how-urbanclap-cto-is-overcoming-challenges-of-services-sector/71590177>

5.2.4 Partner or Employee?

All individuals associated with Urban Company (providing various services) are addressed as 'partners' or 'professionals', and not as 'employees'. They do not receive the benefits that a regular employee gets under a traditional formal work contract (except some incentives and insurance benefits). However, despite this, all women participants agreed that they still prefer these terms of working better because according to them, "there is no upper ceiling to the amount we can earn in our job. We are running our own businesses using the platform, we are our own bosses." In a way, these women identified themselves as micro-entrepreneurs, and are content with the work arrangement with the Urban Company. They also emphasise that the existing engagement is more fulfilling than working for a beauty salon.

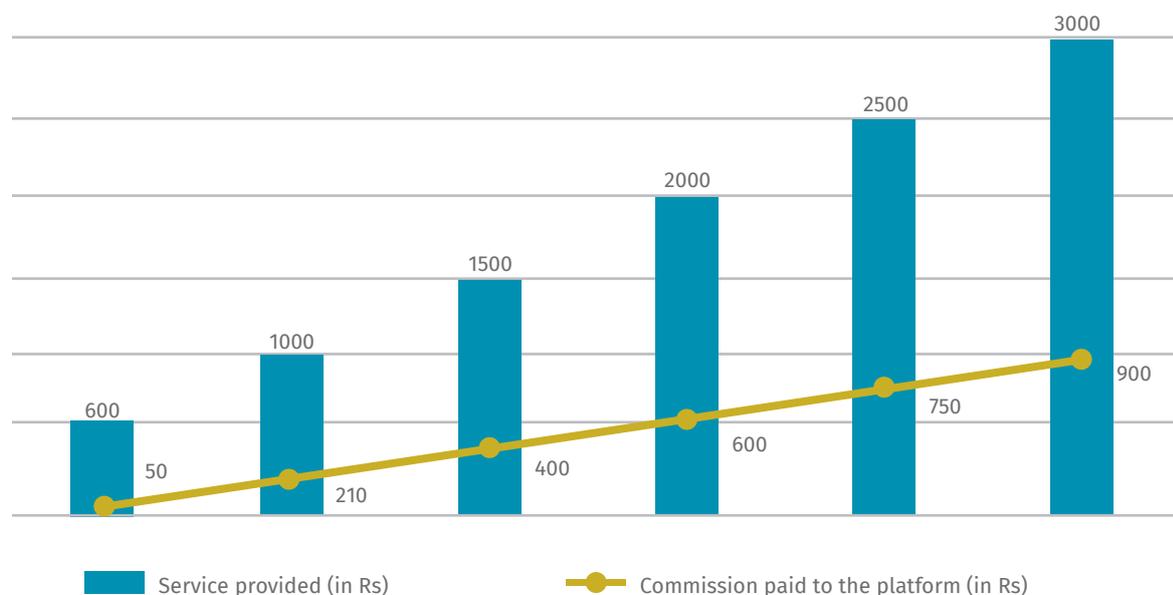
5.2.5 Why Urban Company?

All the participants agreed that since joining Urban Company, there has been an increase in their income. Women in nuclear families find Urban Company to be an attractive option because of the flexibility in working hours, which makes it easier for them to continue performing unpaid care work at home, such as childcare. One of the partners communicated, "In her previous job at a salon, she was unable to run her household and fund her children's education but since she switched to Urban Company, her income has increased, and she leads a more comfortable life". Majority of the women expressed that since joining Urban Company, they have more agency, and can make decisions on how they want to use their time. They also shared that there is a trade-off between choosing to spend time at home and earning more money by working longer hours, and they are happy to choose the latter.

5.2.6 Earnings and Commission

Increasing competition has led to changes in Urban Company's incentive structures as well. According to a partner who has been with Urban Company for five years, "I could save 60 percent of the gross income, while 40 percent was spent on paying the commission, buying inputs and travel, but now I'm only able to save 30 percent of what I make". The payments that are made online are transferred to the partners account thrice every week – Monday, Wednesday and Friday. At the same time, the service providers are required to keep a minimum level of funds in their online wallets to pay for the commissions to Urban Company and continue getting jobs through the platform. Urban Company monetises by way of charging a percentage commission of the value of services rendered. The platform has the following commission structure in place – for a service worth 600 rupees, the company gets 50 rupees, for 1000 rupees the company is owed 210 rupees, for 1500 rupees worth of services the company gets 400 rupees, for 2000 rupees Urban Company gets 600 rupees, for 2500 rupees the platform gets 750 rupees and 900 rupees for anything above 3000 rupees. In case of beauty, Urban Company's take rate is 30-33 percent of the value of services rendered above Rs. 3,000 (see figure 6).

Figure 6: Commission structure of Urban Company



5.2.7 Incentives, Insurance, Bonuses and Penalties

Urban Company has a distinct incentive structure in place for its female partners. The partners are given certificates and also provided complimentary meals depending on their monthly performances. Any partner who completes 30 jobs per month is eligible to receive short-term health insurance coverage. Further, partners who complete more than 60 services in a month are known as ‘Gold Partners’ and are offered a life and accidental insurance that covers damages of up to rupees three lakh³⁴, as well as access to free 40 calls to the Urban Company call center (others only receive 15 free calls, after which calls become chargeable. According to male participants, they are given no specific incentives but are given medical and health insurance coverage of around three lakh rupees³⁴, however, their families are not covered by this insurance. This reveals that Urban Company takes special measures to sustain its female workforce (as beauty is the most lucrative segment for the company) and have generous incentive system in place for them.

There are six available slots everyday between 7 am to 8 pm. There is a provision for a bonus of 100 rupees and 150 rupees when a partner takes a 7 am or 8 pm slot respectively, from which a commission of Rs. 30 is deducted by Urban Company (so effectively they receive a commission of Rs. 70 -120 on taking early or late services). This incentive is in place to encourage partners to take up calls which suits the customer’s preference, because the company needs to make sure the service is offered in accordance with the customer’s desired date and time. The partners are allowed to take leaves; but they have to mark their leave days on the calendar (available on the app) during which they will not receive any leads. This essentially involves informing the platform about their availability/unavailability during specific days.

One of the women partners expressed that in her view, the penalty and rating systems are sometimes biased towards the client, and not in favour of the service partner – “In case the client cancels when we’re already on the way, we have spent on travel, it is difficult to

³⁴ Urban Company took a first-in-class initiative, under which insurance cover is extended to its partners. For details, see: Another top player in this segment, Housejoy also offers free insurance to its professionals.

get reimbursed. Whereas, if we want to cancel in case of an emergency, we are charged a penalty of Rs. 200 per cancellation.” A male participant shared that “If a partner is late by more than 15 minutes to the customer’s place, 10 rupees per 15 minutes will be imposed as penalty”. Another participant stated- “if there is an emergency and if the lead can’t be picked, heavy penalty is imposed irrespective of known exigency or personal situation.” Urban Company adopts this strategy for avoiding compliance failures or for increasing standard process compliance on the part of the partners and also to bring conformity. Penalties and cancellation charges are also used to ensure platform’s credibility in the eyes of customers and to ensure uninterrupted and effective service delivery.

5.2.8 Increasing Competition

With the mushrooming of online platforms providing ‘home-based beauty services’ such as YesMadam, AtHomeDiva, Housejoy and even established salon chains such as Geetanjali, VLCC and Looks jumping in the home visit-based business model, Urban Company partners find it difficult to find as many leads for jobs. Since inception, there has also been a drop in the price for services of Urban Company. But they still continue to work with this platform, as the income earned here is deemed satisfactory in view of rising competition. Partners’ suspect that their income may drop if they choose to move to another platform. One of the male participants mentioned, “Earlier there was a minimum booking amount of Rs. 400, but now it has been reduced, keeping in mind the fierce market competition. Now customer can book only a haircut which costs about 250 rupees, but we have to go anyway whether the customer is located as near as 5 km or as far as 15 km”. Another partner (who have been associated with Urban Company for 5 years), shared that, “In 2016, I could do 21-25 leads in a week’s time and now doing only 30-40 in a month has become hard.”

5.2.9 Hubs and Ratings

Urban Company has constructed regional hubs, for ease of providing efficient and timely services, and also to ensure cost efficiency. For instance, the city of Gurugram itself has four hubs with about 20 women servicing each hub. Women who fall under a particular hub largely get services within the radius of 5 kms or a maximum of 10 kms (in case of urgency or unavailability of partners in the area). Within these hubs, the partner’s rating determines the amount of job leads one gets. The top-rated partner receives the request first and if they fail to accept it within 15 minutes, the request reaches the next rated



Participants of both the groups shared their concern towards ratings being an unfair measure of their performance

One female participant shared, “Most of the customers are well behaved and polite but sometimes we encounter rude ones as well. They are not worker friendly either. They even give us rating of one star and book us again for the services. This sort of lower rating can hamper our overall ratings. But customer rating is prioritised, we can’t do anything about it. Even when customer misbehaves with us, there is no option of blacklisting them. Customer can edit their ratings in the window period of 30 days and no reason is specified for editing the ratings, in fact 90 percent of the customers don’t give reason for low ratings. We have to provide the service according to their convenience anyway.”



partner. This motivates partners to maintain high rating levels. Additionally, there is a concept of normal job leads versus exclusive ones. Long distance leads are usually in the radius of 10 kms (where partners have to travel longer distance), while exclusive leads are mostly within the radius of 5 kms. If the partners are not taking as many external leads, there will be no change in rating but the number of exclusive leads dip.

5.2.10 Safety of the Partners

Urban Company has put in place many safety-related efforts, to ensure the safety of both service professionals and customers. The company has adopted ten key initiatives to enhance the same, which broadly fall into three buckets – before the service, during the service, and after the service.

As part of before the service (at the time of onboarding), Urban Company does stringent checks like identity and background checks on any partner who comes on board.

On the other hand, for customer's safety Urban Company does various checks to ensure that the right person is entering customer's house. Therefore, for verification, partners/professionals need to share selfies before entering a customer's house and the company also maps the location of the personnel.

For the safety of service professionals, Urban Company has deployed an SOS feature on the partners' app³⁵, i.e. to protect and support partners in a dangerous or unsafe situation. If a partner is in trouble, the company can send response teams to help her/him out. The app also has a helpline number, that, if need be, connects the partners to the nearest police station.

Urban Company has also set up an in-house Trust & Safety and Law Enforcement Response Team, which ensures that any safety-related escalations are properly managed. The company also allows partners to give rating to customers, which helps them identify over time: 'if customers are not of the decent kind, then would ensure that the partner does not get those customers'.³⁶

A partner narrated her experience of an accident, "I met with an accident when I was going to site on my two-wheeler. I called the helpline number that remained on call till help reached me, meanwhile my husband was informed about the incident and my location".

Further the FGDs revealed that in case a client misbehaves or harasses a service provider, the platform blacklists that individual, but only after giving them two or three more chances. But the female participants were in consensus that, "we always have to be alert in order to ensure our safety, help can never reach immediately".

5.2.11 Collectivisation

Urban Company service partners have not unionised. Neither have they been approached by any of the national level trade unions. During the FGD, women service partners expressed that there are two main reasons behind this: a) between their work and care duties at home, they do not have the time; and b) there is very little opportunity for the service partners to convene and discuss issues which affect them as a group. Often partners do not know their peers on the platform, but some partners do communicate and exchange

³⁵ Similar feature is also available on customer's app.

³⁶ <https://cio.economictimes.indiatimes.com/news/strategy-and-management/how-urbanclap-cto-is-overcoming-challenges-of-services-sector/71590177>

relevant information through informal channels such as WhatsApp, for example, but that is also uncommon.

The men also found it difficult to collectivise as, *“every month, the category manager³⁷ of the company changes and there is no unity among the partners also”*.

It is so not possible to organise gig economy workers, as majority of these workers are invisible; *“We do not know how many of these workers there are”*, and therefore a union just can't work³⁸. And without the right to unionise (with the protections and bargaining privileges that most labour unions have), gig economy workers run a risk of exploitation. What makes it worse is that most legislations for preventing worker's exploitation do not apply to self-employed/independent contractors of the gig economy.

5.2.12 Women's Empowerment

It is important to understand that empowering women and girls is the key to social transformation. Besides, autonomy of women and improvement of their economic, social, health and political status is an extremely significant end in itself. Therefore, encouraging full participation of women in productive activities, and easing of care burden will eventually contribute to their empowerment, increased agency, and overall improved status of women, in the family and in the society. In this context, gig economy provides avenues for women, which are not only economically empowering but also changing their relative position within the family.

During the FGD, all female participants were in consensus that since joining Urban Company they are able to contribute to economic welfare of their households, and as a result they received more respect from members of their families. They now participate in the decision-making process within the family. In words of one participant, *“My permission is sought even before a packet of tea is bought for the house”*. All this discussion yielded a crucial insight that a women's increased economic capabilities substantially improve their agency, and overall empowerment. As a result, women enjoy a higher status and improved decision-making power within the family, as they now have an equal voice with men of the household at all levels of economic decision-making.

Some of the women earn a lot more now than their spouses, which gives them more bargaining/decision-making power in the relationship, as compared to earlier. This was also true for our sample of surveyed women, in which 60 per cent women were found to be breadwinners for their families, and as a result felt empowered and commanded greater respect within the family.



One woman shared that, *“I was married into a family where I was asked to cover my face with a veil. When I was asked to come for an interview at Urban Company, I had to wear trousers and my mother-in-law asked me to wear the traditional attire or move out of the house. I lived with my maternal family until I completed my training, my husband supported me unconditionally. I joined Urban Clap only six months back, and since then I earn well, my mother-in-law has taken me back with all due respect.”*



³⁷ Category manager is the go to person for all the partners in a specific trade. Also each partner is interviewed in person by a category manager to check for behavioral attributes.

³⁸ <https://www.fastcompany.com/3042081/what-does-a-union-look-like-in-the-gig-economy>

6

SUMMARY OF THE RESULTS FROM KEY INFORMANT INTERVIEWS (KIIs)



6.1 KEY RESULTS FROM KII WITH THE HEAD OF TRAINING OF URBAN COMPANY

Hiring of service providers/partners: Individuals are recruited every month in each city. Hiring is based on demand, but on an average 500-600 new professionals join Urban Company per month to provide beauty-related services to potential customers. So far, the company does not struggle with finding professionals to provide various services. Messages are sent to existing groups in case of an opening and the existing professionals refer new people. Those who express interest is usually intrigued by the lifestyles of the existing professionals and want the same kind of access to economic opportunity for themselves. Even an unconnected individual can seek a partnership with Urban Company by reaching out to them directly through a mobile phone, after which the category manager requests the professional to visit the office with a model for a 'practical'. This is part of the induction process to assess the technical capacity of the professional. In terms of requirements, Urban Clap includes experienced professionals, who have previous experience working at a reputed salon for a period. Each applicant is required to go through an internal screening process to finally be able to join the Urban Company platform.

Recruitment process: Each professional undergoes multiple levels of screenings. First, the applicant submits documents to Urban Company, including identification proof and certificates of experience or professional courses. After the documents are checked, it is determined whether the applicant fits in the Urban Company work culture. Since this is a full-time position, people who own their setup and are looking for something part-time are rejected at this level. Following this, the professional's reading and speaking skills are checked. And then, a practical test is conducted, which includes checking for the beautician's techniques and skills (for example, giving pedicures, or doing hair removal). Special attention is paid to determine soft skills such as how she speaks to and handles the model customer. A soft-skill criterion is important because all professionals are considered 'micro-entrepreneurs' who represent themselves and the company when they deal with a client. In case an applicant performs well in most services but needs handholding in some, especially in threading and waxing which are the primary services, she is put on a 20 days' practice programme. If an applicant is successful in all these levels, she is selected for an onboarding training. Rejecting applicants outright is a rarity, they are only rejected in case there are unfixable performance problems, improper personal identification papers, or if someone is looking for a part-time option. Most others undergo the two types of training as described above.

Training of partners: Urban Company conducts all hiring and training services in-house. The process is undertaken by its own trained professional staff. These processes are not outsourced in order to maintain quality and consistency of the professionals and services on the platform. There is an in-house training module and a Standard Operating Procedure in place for each service. Learning to use the mobile application is an integral part of the training process and professionals practice it on a daily basis. They are also later assessed on their ability to use the app. Every time the application is updated, the professionals are re-trained and there are video training modules that help them learn better.

Skill training certification: Urban Company does not provide any certification, but it might consider doing so in the future. For now, it collaborates with the Government of India's National Skill Development Council (NSDC), which gives them a Recognised Prior Learning (RPL) Certification. This is given after qualifying the RPL exam conducted by the NSDC, which has two levels – theory and oral/demonstrative examination. To obtain the NSDC certification, their previous experience coupled with training from Urban Company are useful.

Employees or partners: The service providers are not Urban Company's employees, but they are known as Extended Partners. Urban Company considers them to be self-employed individuals, and mentions that it follows the model adopted by most global platform-based companies. "Overseas, professionals are not considered full-time workers or employees, we follow the same model. Having said that, we ensure financial security of our partners. We have insurance mechanisms in place – accidental and health insurance. We also offer soft loans to our partners to help them with merchandising and other requirements".

Weekly rest, incentives and other benefits: The partners are recommended to take a day off in a week on any day other than Friday, Saturday, Sunday, or a public holiday (high earning potential days), but this is ultimately their choice. The partners can take leaves on these days as well in case of unavoidable circumstances. In case of a health emergency,

they are encouraged to take a leave. They have to mark the leave days on the calendar (on the app) so that they are not offered any leads on that day. In case a partner needs a long break in day, they need to keep their Communications Manager in the loop. “We are not running a sweatshop. The beauty of the gig economy is the flexibility that it offers, especially for our female partners. For instance, a lot of female partners are married with children, they like to offer their services when their children go to school i.e. the first half of the day, there are others who want to work in the latter half of the day. Each partner has the option to log in and log off the platform at their will. They just need to mark it on the application.”

Minimum number of services delivered: “We do not have a minimum number of services that the partners have to do, but if they want to earn at least 25,000 rupees in a month, they would have to do a minimum of 30 services.”

Complaint against a professional: Customers can lodge complaints in the ‘Help Centre’ of the mobile application. Mostly people use social media platforms like Twitter, Facebook, and Google Play to reach out to Urban Company. The communications team then contacts them and resolves their issues. In case of multiple complaints, the decision to retrain the professional is made depending on their rating. The professional is then given re-training in the service/module she needs to focus on. Further, in case a professional’s rating falls below 4.5, they are taken off the platform and brought back on after undergoing a re-training process. Each professional is only given two chances for re-training, if they continue to perform poorly, they are removed from the platform permanently. These cases are very rare.

Complaints against a client: In case a professional has an issue with a customer, there is a mechanism in place for them as well. There is an SOS button in the application for when the professional is physically threatened or harmed, in response the Urban Company team gets in touch with the professional. There is also a partner helpline in place for the professionals to call and get the issue resolved. “At Urban Company, we want to do what is right for both our customers and partners. We don’t want to displease our partners or our customers. Both of them are equally important to us.”

6.2 Key results from KII with the Founders of BetterPlace

BetterPlace is a leading blue-collar recruitment and onboarding firm, founded in 2015. BetterPlace has reached 75,00,000 service providers, provided services to 1,000+ clients (BetterPlace works with most companies in the gig economy as well as conventional formal employers), and covered 18,000 pin codes (of the total 22,000) in the past 5 years. BetterPlace serves the blue-collar economy (a supply-constrained market), of which the gig economy is a sub-section. It matches workers with potential employers across multiple verticals. Founders of BetterPlace shared their perspective on the gig economy and stated that the platforms currently hire roughly 10,00,000 people – which is a much larger number than before. The average salary of the gig worker has also increased over the last five years from Rs. 9,000 to Rs. 22,000-Rs. 25,000. But the growth of gig economy has not been uniform across all sectors. While most progress has been in security, transportation and

logistics sectors, though inroads are now being made in cooking, household, office facility management, cleaning, electric services, plumbing and repairs. They also observed cases of workers providing their services for multiple (two to three) platforms over a workday of 12-14 hours.

Recruitment - The founders shared that Betterplace has an omni-channel model for onboarding workers. Potential workers can download the app or come to the site for assistance. Betterplace has Experience Centres where workers can approach the company to be onboarded. So far, company has 140 Experience Centres in South India and 320 centres are expected to be set up in north India by Mid-2020. Blue-collar workers are recruited from everywhere, as they are always on-the-move. The pool of workers is recruited at places where migrant and unemployed workers are likely to be such as train stations, bus terminals, general stores, slum areas, food centres, etc. Workers can refer up to five other people in the app for employment. Existing workers are leveraged to get more people and pay for every additional person. Attendance of workers is monitored through a selfie-based system. Payment is linked to attendance.

Skills and training of workers - The founders shared that no rigorous skill evaluation process is undertaken, and work is allocated on the basic ability of the worker to do the job. For training of these workers, a vernacular WhatsApp based digital training chatbot interface is used, since in-person training is challenging due to the vast language differences. They also shared that in the gig economy, the need is not for skilled workers, but for a large number of workers. Though the government has been taking up initiatives to skill workers; market linkages with government skilling programmes, however, are weak. There is a mismatch from a skilling perspective of supply and demand. While demand comes from cities, supply is concentrated in the rest of India. Most of the workers come from seven states, namely, Assam, Bihar, Jharkhand, Odisha, Tripura, Uttar Pradesh, and West Bengal – places with large populations but not enough jobs. Government attempts are not appreciated by the market at the point of hiring. However, as wage level of workers go up, training is demanded by customers. Unless the end-customer demands skill sets, there won't be too much investment in skilling. Only a small percentage of workers who have been skilled through government programmes have found sustainable employment. They stressed that the emphasis should be on providing vocational training and skills to workers (spoken English, financial and digital literacy, etc.).

Worker retention is poor and attrition rates are high. In case of a worker assigned to a task is leaving, the platform uses its network to replace them. They mentioned that shorter hiring-attrition cycles can be avoided by providing multiple touchpoints of engagement and rewarding people who stay with the company or platform for longer. Further, buddy programmes with senior workers might help showcase the demonstrable benefits in terms of living needs, training etc.

The trend in hiring is shifting towards part-time employment. There are various obligations and worker entitlements that employers are bound to when they keep employees on payroll. As a result, workers are largely hired as 'self-employed' or 'independent contractors'. They stated that workers also prefer flexibility afforded to them by gig work.

Majority workers are not able to comprehend the concept of minimum wage, so the first step is to make workers aware of what minimum wage is. Betterplace has an app that service providers can download, in which their salary balance is displayed. The content is available in vernacular language and is easy and simple for worker to access. But workers do not receive wage increments with an increase in experience. They mentioned that ESI and PF are not very effective for this sector, and the payments make a significant dent in their salaries. Health insurance is often made available, but the claim process is very complicated, making it difficult for workers to obtain coverage.

It has been observed that women prefer gig work as it provides them with flexibility to perform personal duties. However, the total number of women workers in the gig economy is less than two percent. Large number of women are seen in the beauty and care industries. Also, facilities and cleaning sector is largely female dominated. In sectors like facility management, retail, hospitality and healthcare, it is very difficult to maintain flexible working hours. Besides, women are constrained by cultural and social norms, safety and travel concerns. On account of these concerns, women prefer to remain in very 'gendered' setups and professions where there are other women in a common area – such as housekeeping and manufacturing.

7

CONCLUSIONS



From the above analysis, while it is clear that the gig economy in India is rising exponentially and the nature of work in the service sector has been hugely impacted by the introduction of digital platforms, it is yet to be examined whether there exists the potential of additional employment generation in the service sector. Work in the gig economy is on demand, no longer embedded in organisations and mediated by platforms that capture significant rents. While a macro-level analysis and mappings of the gig economy are still necessary, it may be safely concluded that the gig economy is still an urban phenomenon in India and migrants from rural areas are joining the gig economy in large numbers. The secure market access and flexi-timings appear to be the most preferred reasons for the workforce to participate in gig/platform economy. In fact, there is a general desire for flexibility from both employers and workers.

During the research process, Initiative for What Works to Advance Women and Girls in the Economy (IWWAGE) engaged with Urban Company partners' who spoke emphatically about why they want a level of flexibility and about how this platform allows them to work in ways that would otherwise been impossible. Women appreciate the flexibility and are also, satisfied with the earning potential. For many women, this flexibility provides time for unpaid care work and duties at home, which formal employment would not allow.

It is also worth noting that indeed, the gig economy provides employment avenues for many, however, most of the digital platforms do require some basic asset holding such as bikes or taxis or even smartphones. From this report, it emerges that owning a smartphone is an essential requirement for getting access to Urban Company (like other platforms). There is no administrative data on access to smartphones. However, as per 'The Mobile Gender Gap' report, 59 percent women own mobiles, as compared to 80 percent men in India. Similarly, the percentage of women internet users is a meagre 16 percent, as compared to 36 percent men internet users (GSMA report, 2019). Additionally, women who are digitally illiterate are automatically barred from participation.

Our analysis reveals that most of the digital service platforms acquire substantial rent and are based on a commission-based revenue model where profits are generated via commissions from partners. In this particular case of Urban Company, which could be extended to other similar service platforms, it is therefore, important for the platform to aggregate as many service professionals as possible in order to take advantage of the scale.

What is also important to note here is that the gig economy is not just an extension of previous forms of labour market precarity; it is a reshaping of the spatialities (economic geographies) and temporalities of work through enablers. This makes it challenging for workers to build effective and lasting structural power, and secure the monopoly power of platforms as key intermediaries between supply and demand of labour. All these processes have a huge impact on the informal sector workers and are also ushering in a new dimension to 'informalisation'.

In the platform economy model (especially; service deliveries platforms), while the aggregator companies operate in the formal sector and enrol the services professional into their platform, the change in status of the service providers from a 'worker' delivering services, to a 'self-employed' service partner ends up in subverting the regulatory practice sizably. This is to highlight that service partners by their sheer status of being 'self-employed' loses entitlements of several forms of social protection. Even more troubling is the fact that most individual workers have next to no effective bargaining power.

The above changes also need to be discussed in the light of disappearing employer-employee relationship. The disappearance of such employer-employee relations has a deep impact on labour structures. The current arrangements show that aggregator companies become the controller of 'labour' of the service providers, but without an onus to provide any support or social security measures. There is a greater need to look beyond existing labour laws that, in most places, were designed for formal sector workforce and fail to meet the unique needs of gig workers.

On the other hand, it is also important to recognise that these platforms offer choices for people, especially women, who in the absence of these, and the precarity of informal work, choose to not participate in any economic activity. If nothing else, these platforms offer them to be self-employed/entrepreneurs, allow them to take loans, and build some assets, and most importantly build their own agency.

Based on extensive literature review and quantitative and qualitative data analysis, the study offers the following key recommendations:

- Despite the speedy expansion of the gig economy in India, there has been little or no research so far on the gendered experiences of gig/platform work. This lack of knowledge pertaining to women's experiences in the gig/platform economy undermines the ability of policy makers to develop evidence-based policy responses.
- Many more studies of this kind are required to illustrate the actual practices adopted in different platforms within the service sector.
- There should be a move towards written contract agreement between the platform and independent contractor, as opposed to verbal agreements. And it should clearly mention all the terms of contract and conditions of work.
- While setting earnings/wages, platforms should give careful consideration to the nature of work, and the general level of living wages.
- Regulation of platform work should go beyond mere registration of service providers; in this context, monitoring mechanisms or involvement of other parties is necessitated.
- Skill development and training programs for these workers should be strengthened. These measures can help women workers to consider mobility into better avenues of employment.
- Adequate measures should be in place to look into complaints related to various aspects of work, including abuses and other practices of the platform. If already in place, mechanisms for grievance redressal should be modified and be more aligned with platform workers' needs and situations.
- Opportunities to convene and engage are currently missing from the equation. Therefore, a more systematic approach is desirable for all those gig workers who are interested in organising and collective bargaining.
- The lack of effective regulation for gig workers should be approached by thinking of new legislation specifically for the gig economy, as these workers must be provided adequate labour protection.
- Gig ecosystem could be a viable option for generating productive and gainful employment opportunities for women, so more women-friendly policies should be adopted in this economy.

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ANNEX 1

HOW TECHNOLOGY IMPACTS LABOUR RELATIONS

Technology plays a key role in establishing labour relations in any form of organisation of production. The use of upgraded or expanded technology was clear during the transition from putting out system of production to factory system of production. It was also evident when technology helped in dividing the production process into numerous specialised tasks within the factory system and helped in establishing 'division of labour' (Adam Smith). It was also prominent as the global process of integration intensified through the development of global value chains; the factory system of production was fragmented and relocated into multiple destinations. It was accompanied by a system of outsourced production processes into homebased/homestead/workshop systems further which came to be known as a typical form of 'globalised production structure/networks'. There were several characteristics to such production structures or the organisation of work, however, these processes were also aided by use of innovative and advanced technologies. A wide range of literature exists around the development of technology assisted global production networks and global commodity/value chains which began in the mid twentieth century and continues to exist – albeit the main motive behind adopting such process of production being increasing the rate of returns to capital (Gereffi, 1991; Ghosh, 1998). However, the important sectors within an economy that followed such fragmentation of production processes have also evolved.

The development of outsourced fragmented processes began with automobiles and garments in the mid-twentieth century and was restricted within manufacturing processes, globally,



the 'internet revolution' around the late twentieth century (also known as the Fourth Industrial Revolution) extended such practises to the tertiary sector, especially in the service delivery segment. It ranges from financial service delivery mechanisms using latest technology to provide financial and banking solutions through increased usage of digital technology and has reached a level where digital platforms using latest digital interfaces or 'applications' have become a site for online service deliveries³⁹. Of course, the nature of labour practises in the service sector or the tertiary sector is more complex than that in the manufacturing sector, simply due to the complexities around defining and computing 'surplus value' in the former as compared to the latter, however, the forms of employer-employee relations, conditions of work, hours of work and so on does provide an essence of existing labour practices, and therefore, labour structures in the production of these services.

³⁹Technological advances have altered the way in which employers interact with their employees, and this has led to the requirement of a mobile/fluid/volatile/flexible or 'liquid workforce' that can focus on delivering services effectively. Other technologies like artificial intelligence (AI), robotics and automation, are also shaping the future of this mobile/independent workforce

ANNEX 2

BEAUTY PLATFORMS IN INDIA



Most multi-service provider platforms in India also provide beauty services. The ones starred below provide beauty services exclusively.

Name of Platform	Year of Inception	Services Provided	Scale of Operations
UrbanClap	2014	Salon, Spa, Massage, Bridal Makeup, Mehndi	Ahmedabad, Bangalore, Chennai, Delhi NCR, Chandigarh Kolkata, Hyderabad, Pune, Mumbai, Trichy, Jaipur, Dubai, Abu Dhabi
QuikrEasy	2017 (earlier Quikr Services)	Bridal Makeup, Salon, Mehndi, Tattoo	Ahmedabad, Bangalore, Chennai, Delhi, Faridabad, Gurgaon, Ghaziabad, Hyderabad, Noida, Pune, Mumbai, Navi Mumbai, Thane
Housejoy	2014	Salon, Massage	Chennai, Delhi, Hyderabad, Pune, Bangalore, Mumbai
Bro4U	2015	Beauty Services, Mehndi, Bridal Makeup, Tattoo Artists	Bangalore, Hyderabad, Mumbai, Pune

AtHomeDiva*	2016	Beauty, Hair, Makeup, Bridal Makeup, Spa	Bangalore, Chennai, Coimbatore, Delhi-NCR, Hyderabad, Mumbai, Pune
GetLook*	2015	Beauty, Hair, Makeup, Bridal Makeup, Spa	Bangalore, Delhi-NCR, Hyderabad, Mumbai, Pune, Lucknow, Kolkata, Ahmedabad, Surat
PurpIle*	2011	Beauty Product Sales, Salon and Spa	
MyGlamm/ELLE Salon at Home*	2015	Beauty Product Sales, Salon, Makeup, Bridal Makeup, Spa	Mumbai, Thane, Bangalore, Kolkata, Delhi, Pune, Udaipur, Chennai, Gurgaon, Indore, Jaipur, Chandigarh, Kochi
Belita*	2010	Beauty, Hair, Makeup, Bridal Makeup, Spa	Mumbai
VLCC VanityCube*	2017	Beauty, Hair, Makeup, Bridal Makeup, Spa, Weight Loss	Bangalore, Delhi, Faridabad, Ghaziabad, Gurgaon, Mumbai, Noida

*Data aggregated from platform websites.

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