

The Status of Self-employed, Contract, and Gig Workers in India: Some Recent Changes

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The measurement of labour input has always been a challenge before the economists aiming to study the contribution of labour in output and productivity. The issue of measurement is also important to understand how the national income is distributed between different inputs, especially labour and capital. The issue of distribution of national income has once again occupied the centre stage due to rising inequalities in recent decades and the recent shocks to the economies due to Global financial crisis in 2008 and the COVID19 pandemic in 2019. Both of these events have led to the waves of anti-globalisation and anti-immigration. In all these happenings, the labour has been the most severally affected and it is the vulnerable among these-the self-employed, the contract workers and the Gig workers, who have borne the maximum brunt of COVID19.

While labour is broadly categorised into regular & salaried workers and casual workers in developed countries, we also have a third category of workers in developing countries, i.e., self-employed workers. The development of ICT sector has also given rise to a new set of workers as Gig workers. What is common between the three-the self-employed, the contract workers and the Gig workers is the absence of any social security and the written contract between the employer and the employee and hence there is no job security and also many times no income security. As a result, their economic status is most precarious. In the case of the self-employed and the Gig workers it is also difficult to separate out their labour income from their capital income, as they use both their labour and their capital during the process of production.

In India, the share of self-employed in total employment in 2017-18 is more than fifty percent and another 25 percent is of casual or contract workers. The share of regular workers is only 23-24 percent and has increased slowly. India, thus has a lot of workers in the informal sector without any social security. These workers are the most vulnerable in any catastrophe. As a result, these self-employed, contract and Gig workers were and still are the worst sufferers of COVID19. They lost their occupations, and jobs due to severe economic lock downs and restrictions. They did not have alternative employment opportunities. Many of the contract and Gig workers who lost their jobs and did not get adequate financial support from the governments were forced for their survival to take up self-employment as hawkers, street vendors and other petty businessman. Despite some economic revival, their economic status is still much below the pre-COVID period.

However, some policy initiatives have been recently undertaken in India to increase the formalisation of the economy and provide some social security to the workers through changes in the labour laws. The Gig workers, especially those associated with E-commerce companies and few aggregators are also being provided some income stability. But because of the ambiguities in

the definition of the contract and the Gig workers many times it is difficult to identify and reach to them.

The aim of the paper is to first gauge the exact magnitude of these workers in India by choosing an internationally acceptable methodology of identifying them. Then the paper would focus to identify the hardships these workers have faced during COVID19, and analyse all the policy initiatives which have been taken, both at the national and the regional level, to improve the delicate economic status of the self-employed, the contract workers and the Gig workers. Based on the outcome of the evidence, policy recommendations may be made to improve the job and income security of these workers.