

# EVA STALIN IAS ACADEMY - BEST IAS COACHING IN CHENNAI

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## Rajasthan's move spells some hope for gig workers +

The Chief Minister of Rajasthan announced earlier this year that the State would set up India's first welfare fund called the Rajasthan Platform-Based Gig Workers Social Security and Welfare Fund. This is the first real instance of a regulatory move to unbuckle gig and platform workers' vulnerabilities since the Code on Social Security was passed in 2020. The code came amid the COVID-19 pandemic when platform workers became the backbone of metropolitan logistics, acting to serve customers, and working with and for State governments in their food relief schemes.

### Many States are yet to act

In 2023, many State governments are yet to pass rules that govern how they will implement the Code on Social Security. This has raised concerns over how fast gig and platform workers can gain benefits in a scenario where they are seen as "independent contractors", though they are made to follow rules that constitute an employment relationship. Rajasthan stands out as a first mover making haste, with the State facing Assembly elections next year.

Since independence, construction workers, dock workers, and head loaders (*mathadi*) have had boards set up for their well-being. Thus, the Rajasthan Platform-based Gig Workers Welfare Board will be a familiar institution that can be used to serve the needs of a technology-mediated workforce. The board, a tripartite institution with representatives from bureaucracy, employers or clients, and workers' unions or associations, exists as a workaround to what is otherwise embedded in formal employment. In the latter, an employment contract and contributory worker benefits bring together worker, state and employer in conversation with each other. This relationship is meant to ensure quick communication in moments of failure where workers or employers do not get their due, and



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The initiation of a board is a win for platform workers, but there are many challenges ahead such as covering the gaps in labour rights

enable better communication between the parties. In sectors that have more informal workers, there is no 'straightforward' way to deliver benefits since on-paper employment relationships are missing. Therefore, the state also does not 'find' workers at work to give them benefits. The tripartite relationship has to be built to force employers to acknowledge that they have informal workers; for workers to collectivise to bring a common voice to their concerns; and for the state to liaise and mediate this relationship.

### Tied down in the specifics

The Rajasthan Platform-based Gig Workers Welfare Board aims to deliver social security benefits to between three to four lakh workers in the State but is tied down in what kind of schemes and programmes it can set up. The Code on Social Security gives State labour ministries the mandate of choosing from a narrow bouquet of programmes on provident fund, employment injury benefit, housing, educational schemes for children of workers, skill upgrading and funeral assistance. Key protection schemes such as life and disability cover, health and maternity benefits, old age protection and education will only be started and funded by the central government, which can decide which States will get these central schemes, their duration and what kind of gig and platform worker will be eligible for schemes and programmes. This restriction could be further exacerbated by a lack or shortage of funding.

To address this, the code mandates platforms to share 1%-2% of their revenue for these new schemes, answering a key question for central and State governments as to who pays for gig and platform worker protections. The Construction Worker Board uses a similar avenue to take money that amounts to 1%-2% of the project cost from real estate companies and builders for worker well-being. While charging construction

projects on revenue is a simple way to fund a board, it will not be as simple to do so in the platform economy context. Many platform companies operate as revenue-negative or have to raise debt or equity funding to make it year to year. Questions about how the Rajasthan government made the financial allocation of ₹200 crore, where this has come from, or how platforms will be charged with their financial responsibility remain unanswered.

### The challenge ahead

Worker boards in India have been thought of as a way to build long-term relationships between workers and the state apart from their more operational role in creating a tripartite forum and implementing schemes. There has been a lot of criticism against the construction board – that it does not provide benefits that are useful enough to offset the time, money and other resources workers have to spend in order to register and access benefits. Time will tell how a Gig and Platform Worker Board will fare when gig and platform workers are time-poor considering that they often work for piece-meal wages that are structured through hourly or daily time commitments to platforms. This has been a significant challenge for collectivisation attempts. It is also unclear whether Rajasthan or any other State board will be able to fill the gap in labour rights for platform and gig workers. The Code on Social Security does not consider how to handle the labour rights of gig and platform workers; rather, it only seeks to give them protections from vulnerable aspects of their work.

Nonetheless, the initiation of the board is a big win for platform workers and unions who have been fighting to get their issues heard. The fact that the board is being set up before 2024 stands out in the midst of political chatter that States will not implement the new Codes until after the general election in 2024.

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