

GIG WORKERS AND PLATFORM WORKERS: THE CODE ON SOCIAL SECURITY 2020

The new Code on Social Security, 2020 (“Code”). The Code will replace nine legislations which provided social security to the employees like Maternity Benefit Act, Employees’ Provident Fund Act, Employees’ Pension Scheme, Employees’ Compensation Act, among others. The Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. The Code also aims to provide social security to a wider group of employees as the code has recognized and covered workers working in the unorganized sector. Several new concepts such as gig workers, platform workers, fixed term employee etc. have been coined which were previously not recognized under any labour legislation. The Government has also published draft rules framed under the Code. Through this article we would like to discuss the new concepts and the benefits provided to them under the Code.

Gig Workers

The term gig worker is a newly introduced concept in India. In general the term gig worker means someone who takes on hourly or part-time jobs in everything from catering events to software development. The work is usually temporary and completed during a specified time under a nonstandard work arrangement. The Code defines the term gig worker as, “a person who performs work or participates in a work arrangement and earns from such activities outside of traditional employer-employee relationships”. The formal recognition of gig worker was the need of the hour as the definition provides umbrella to a large group of temporary workers. One can even be a part-time professor and fit into the gig economy. Some common names include contingent workers, freelancers and independent contractors etc.

The gig economy concept is very prominent concept in the west amongst the youth. The concept allows students to take up jobs in the early age and get exposure in their respective fields. The benefits associated with such jobs will encourage people in India to engage themselves in such jobs and avail benefits arising out of it.

Platform Workers

The term platform worker in general means a worker



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working for an organization which provides specific services using online platform directly to individuals or organizations. For example: Uber, Ola, Zomato etc. As per the Code a platform worker means “a person engaged in or undertaking platform work”. To understand it better the definition of platform worker has to be read with the definition of platform work which states that platform work means “a work arrangement outside of a traditional employer-employee relationship in which organisations or individuals use an online platform to access other organisations or individuals to solve specific problems or to provide specific services or any such other activities which may be notified by the Central Government, in exchange for payment.

Mandatory Registration

The Code also mandates for compulsory registration of both gig workers as well as platform workers on an online portal to avail benefits under the Code which shall be specified by the Central Government. However, this registration is subject to fulfilment of certain conditions, namely:

1. He has completed sixteen years of age, but has not attained the age of sixty years;
2. The worker has worked for not less than ninety days during the preceding twelve years;
3. He has submitted a self-declaration electronically or otherwise in such form and in such manner containing such information as may be prescribed by the Central Government;
4. Every eligible unorganised worker, gig worker or platform worker shall make an application for registration in such form along with such documents including Aadhaar number.

Social Security Benefits

Earlier, the labour laws did not provide for any social security benefits to the workers working in the unorganized sectors but the Code confers power upon the Central Government to frame welfare schemes for the workers in the unorganized sector on the matters related to:

1. Life and disability cover;
2. Accidental insurance;
3. Health and maternity benefits;
4. Old age protection;
5. Creche; and
6. Any other benefit as may be determined by the Central Government.

These schemes may be wholly funded by the Central Government or partly by the Central Government and partly by the State Government or wholly funded by the contributions of the aggregators or partly by the Central Government and partly by the State Government and partly funded by the beneficiaries of the scheme or the aggregators or wholly funded by the contributions of the aggregators or funded from corporate social responsibility fund within the meaning of Companies Act, 2013 or through any other source.

Way Forward

Introduction of these concepts would lead to provide better work opportunities to students and would promote them to take up non-regular jobs in the market. At the same time it

would be a lesser burden over the employer to not engage in traditional long term employment commitments with the employees. The new concepts would help in generating several small jobs which will be duly regulated by the labour codes and also provide social security to the employees. Further, it would be evident to see how these sectors are practically regulated and what all schemes does the Government come up with to provide benefits to the employees working in the gig and platform based economy before making any concrete statements.

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