



NCAER-PRI Joint Workshop

Socio-Economic Impact Assessment of Food Delivery Platform Workers

NCAER

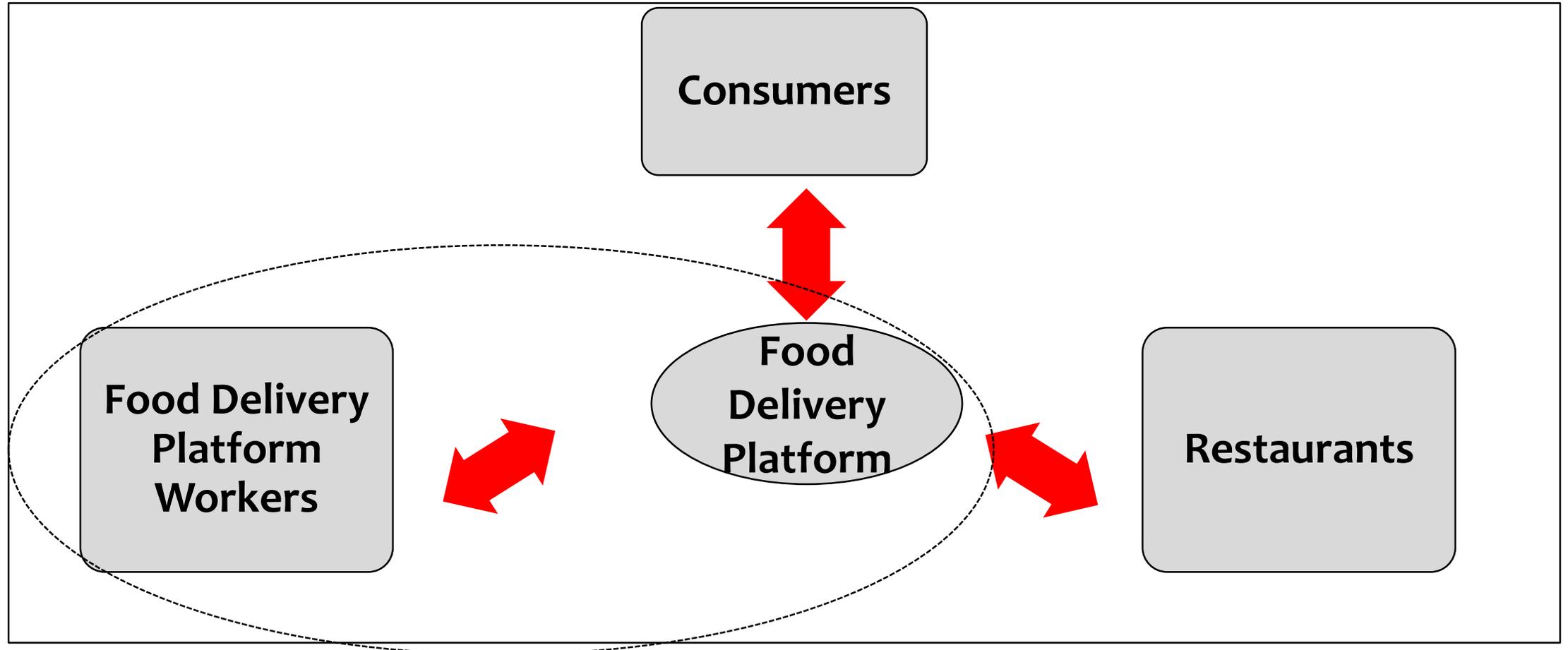


Outline

- What is a Food Delivery Platform Sector?
- Who is a Food Delivery Platform Worker?
- Assessment Framework
- Sampling Strategy & NCAER Survey
- Key Results
 - Labour
 - Income
 - Skilling
- Policy Recommendations & Way Forward

What is a Food Delivery Platform Sector?

Outline of the NCAER Research Programme on Food Delivery Platform Sector



Food delivery platform worker

Who is a Food Delivery Platform Worker?

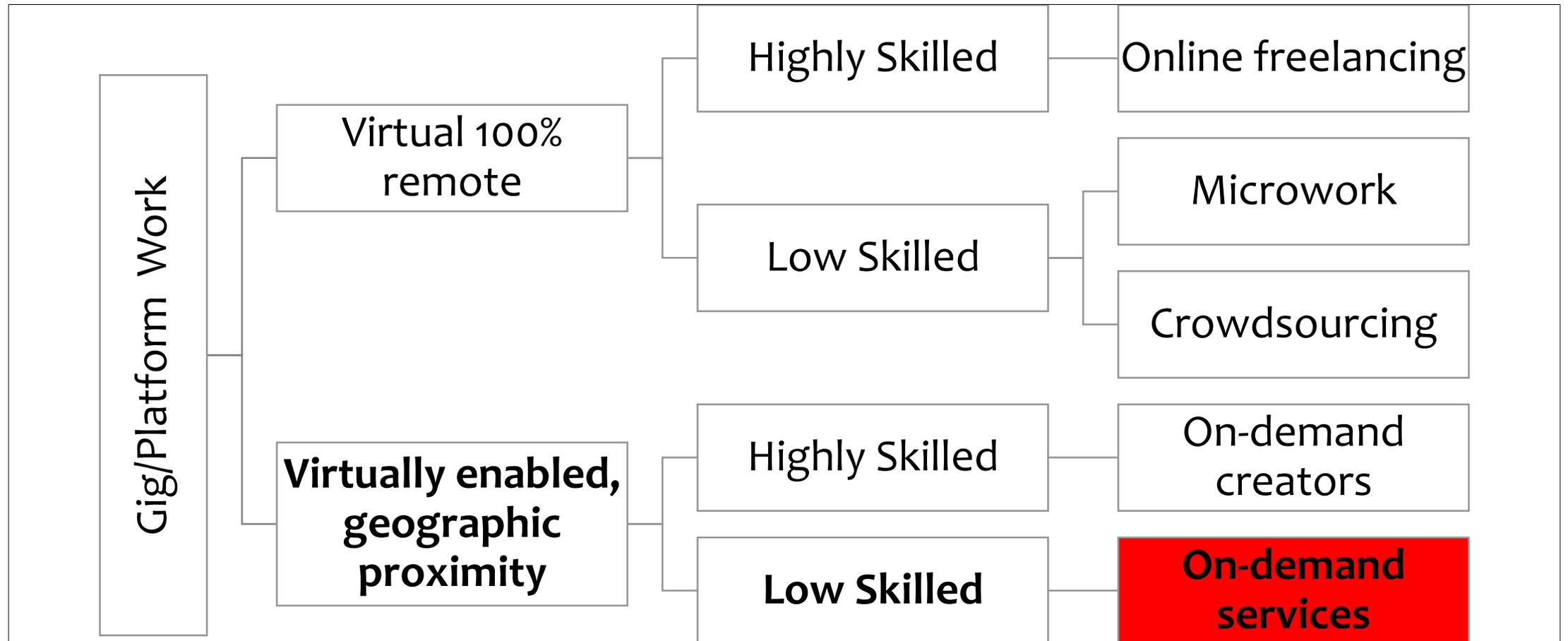
Code on Social Security 2020

- Work arrangement outside of a traditional employer-employee relationship
- Online platform
- Solve specific problems or provide specific services in exchange for payment

Characteristics (from Literature Review)

- Task/deliverables-based contract between the service provider and the online intermediary (platform)
- Market/transaction-based.
- Nature and price for the service are pre-determined by the platform.

Typologies of Gig/Platform Work



Source: Cieslik, Banya and Vira (2021) (pp. 4)

Assessment Framework

Research Objectives

- Employment Patterns
- Incomes
- Work Environment

Assessment Framework

Socio-economic background

Gender, age, education, asset ownership

Characteristics of previous job, if working

Entry

Why did you enter the food delivery platform?

Entry Requirements

Experience

Incomes (before and after)

Degree of autonomy

Impact of the pandemic

Exit

Why do workers exit?

Easy to exit & re-enter

Do workers want to return?

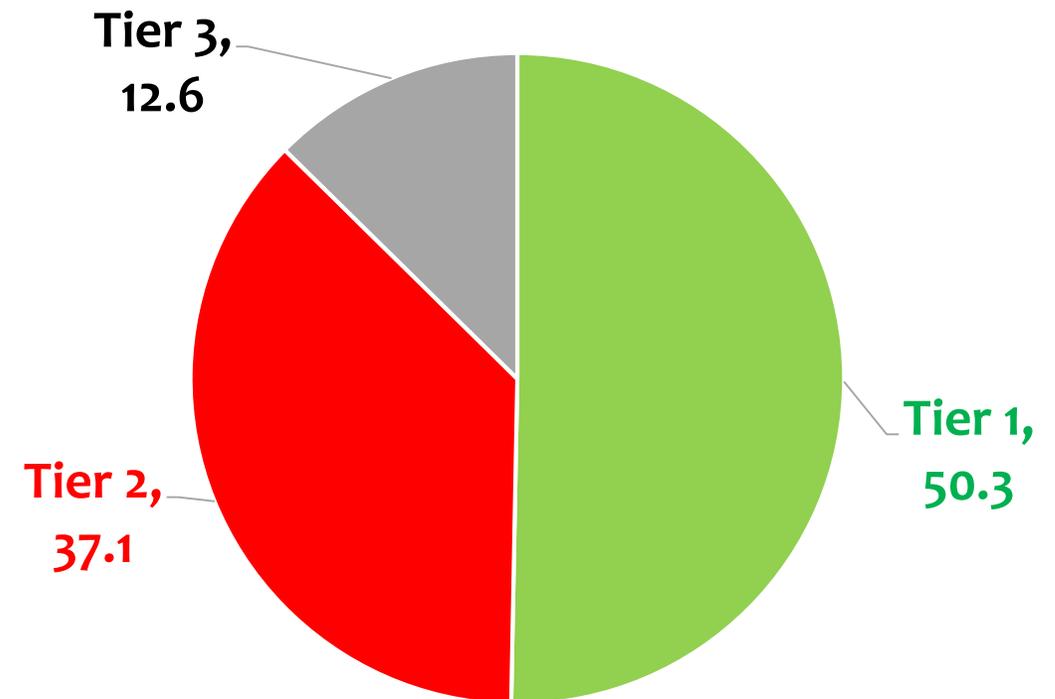
Are workers better-off in your new job?

Sampling Strategy & Survey

Sampling Strategy & NCAER Survey

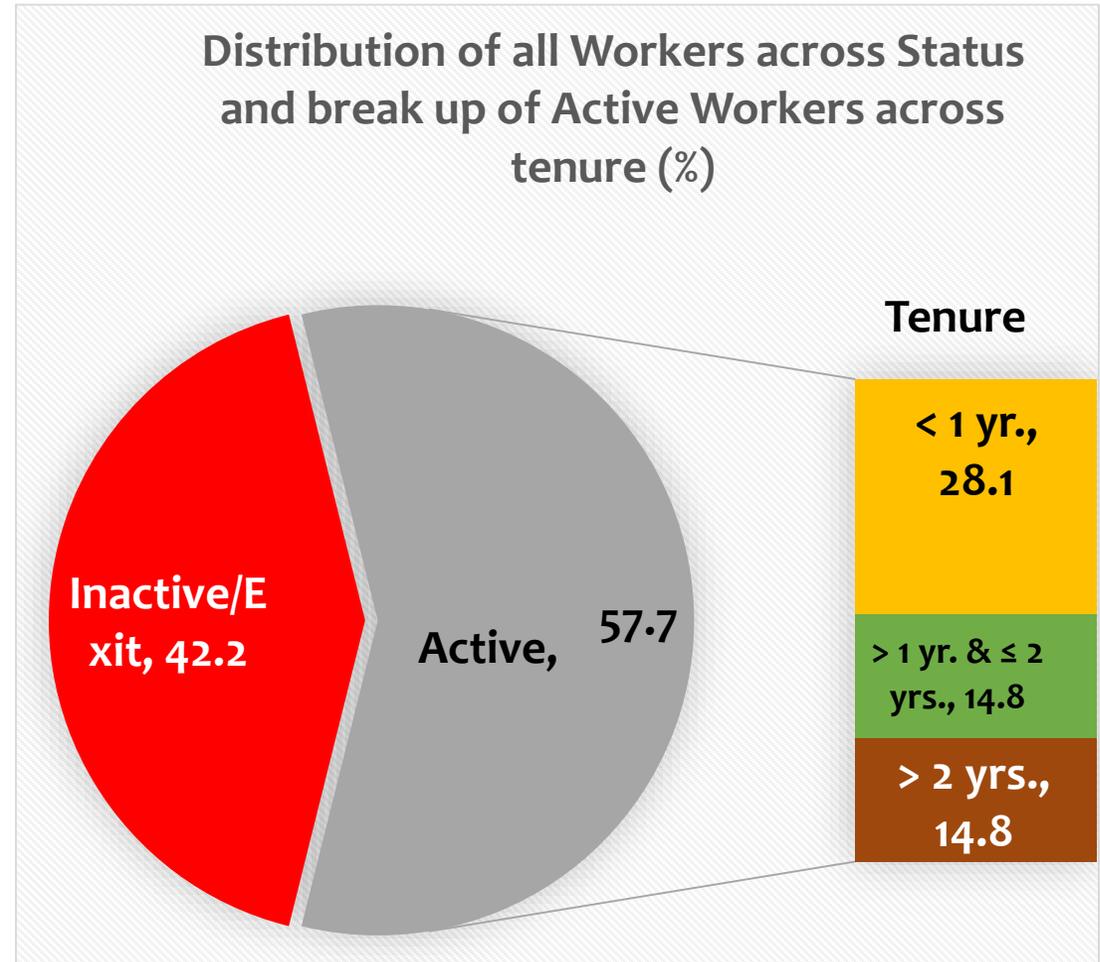
- All the workers belong to one food delivery platform which has a national representation.
- Telephonic survey of 924 food delivery platform workers, carried out in April-May 2022
- 28 cities
 - With representation from all city types (tier 1, 2 and 3)
 - Regions
 - North & East: 18.7% each
 - South: 31.9%
 - West: 30.6%

Percentage Share of 924 Sampled Workers (%)



Sampling Strategy & NCAER Survey contd.

- Activity status of workers
 - Active: Currently working on the platform (57.7%)
 - Inactive/ exit: Post 180 days since the last login **date the worker is labeled as 'inactive'. When the worker has formally submitted his resignation requests and the full and final settlement has been done, the delivery worker is marked as 'Exit'. (42.2%)**
- Tenure of workers in the platform
 - ≤1 year,
 - >1 & ≤2 years
 - > 2 years
- Engagement type
 - Long shift- 11 hours in a day (55.6%)
 - Short shift – 5 hours in a day (44.4%)



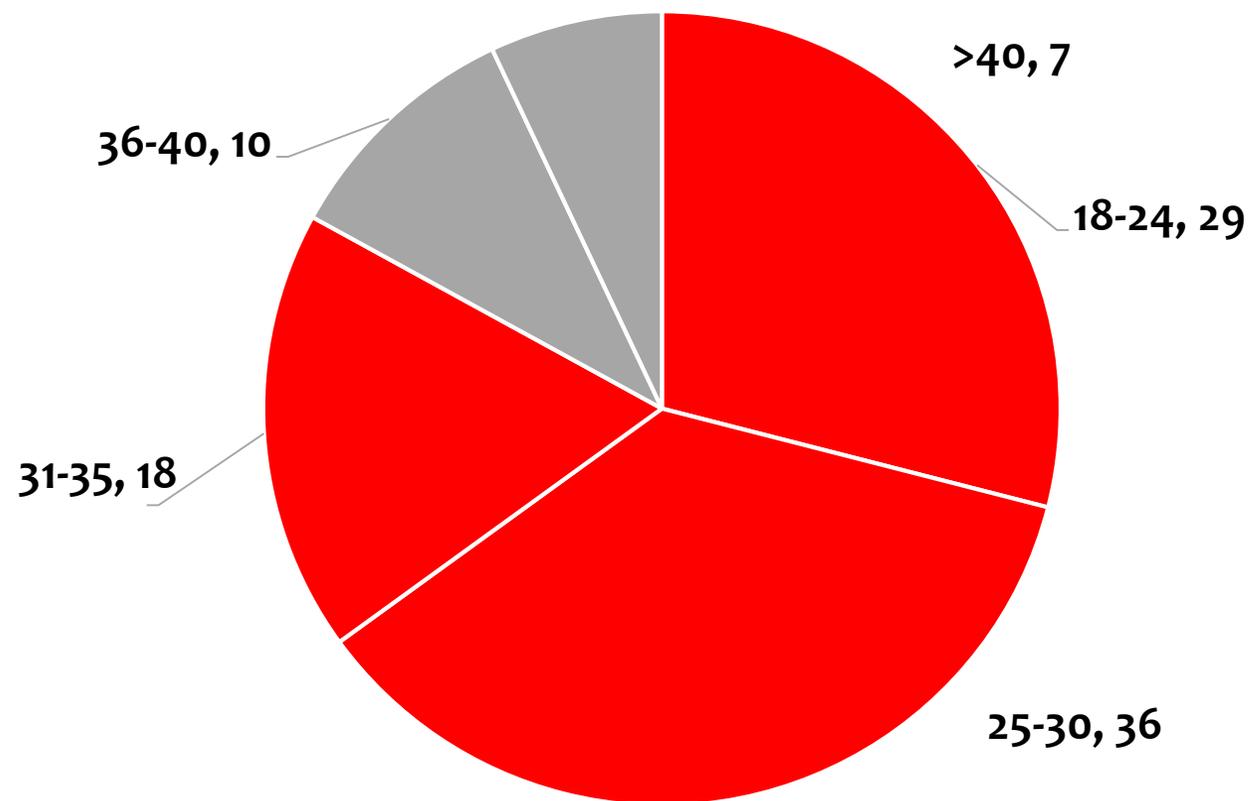
Key Results-Labour

Benchmarking using the Periodic Labour Force Survey 2021-22

84% of the respondents are below the age of 35

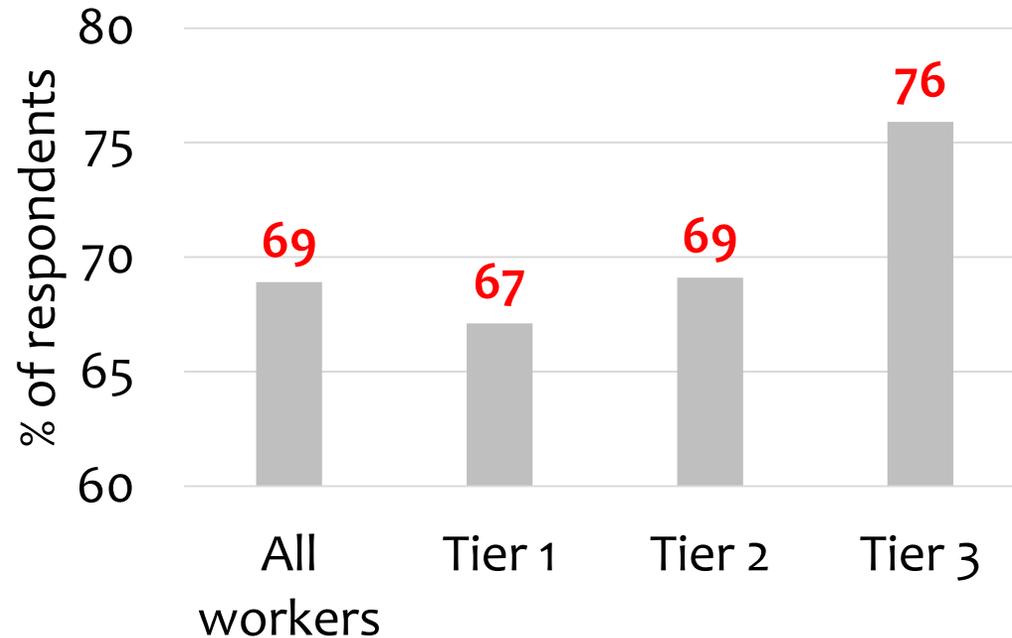
- The average age of all respondents/workers was 29.1
- Average age of all urban male workers (aged 18+) is 38.8 in PLFS 2021-22
- Average age of urban male youth (aged 18 to 29) workers (24.6) in PLFS 2021-22

**Age-wise Distribution of Workers
(% of all workers)**



Platform work helps generate local jobs in Tier 2 and Tier 3 cities

**Home versus Migrant Workers
(% of respondents)**

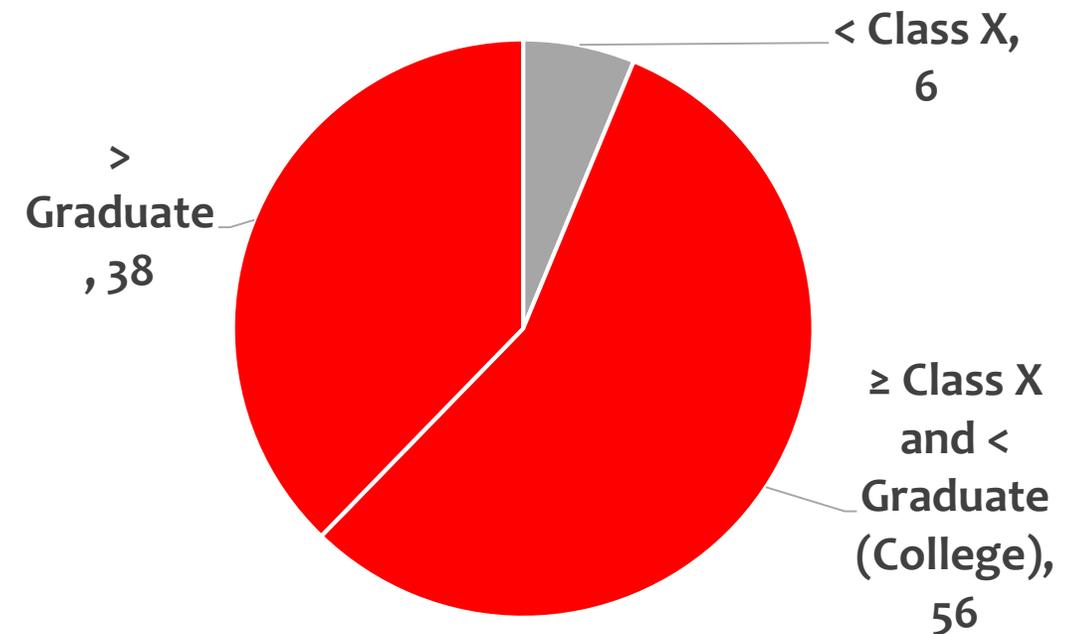


- Almost 70% of workers were non-migrants, and working in their own hometowns
- Only 7.3% of workers were migrants from other States.
- The share of migrants
 - Highest in Tier 1
 - Lowest in Tier 3

The average delivery worker is better educated than the average urban male worker

- Median education level: Class XII
- More than 90% of respondents had education levels Class X and above
- Almost 40% of Tier 2 city delivery workers were college graduates.
- In the PLFS 2021–22,
 - Urban male workers: 57%
 - Urban male youth workers: 63%.

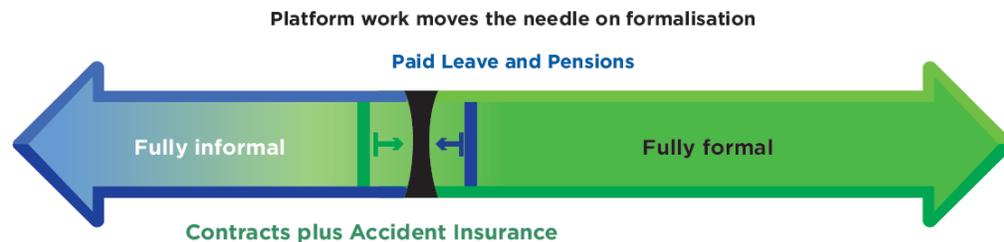
**Education Level of Workers
(% share of respondents)**



Platform moves the needle on formalisation

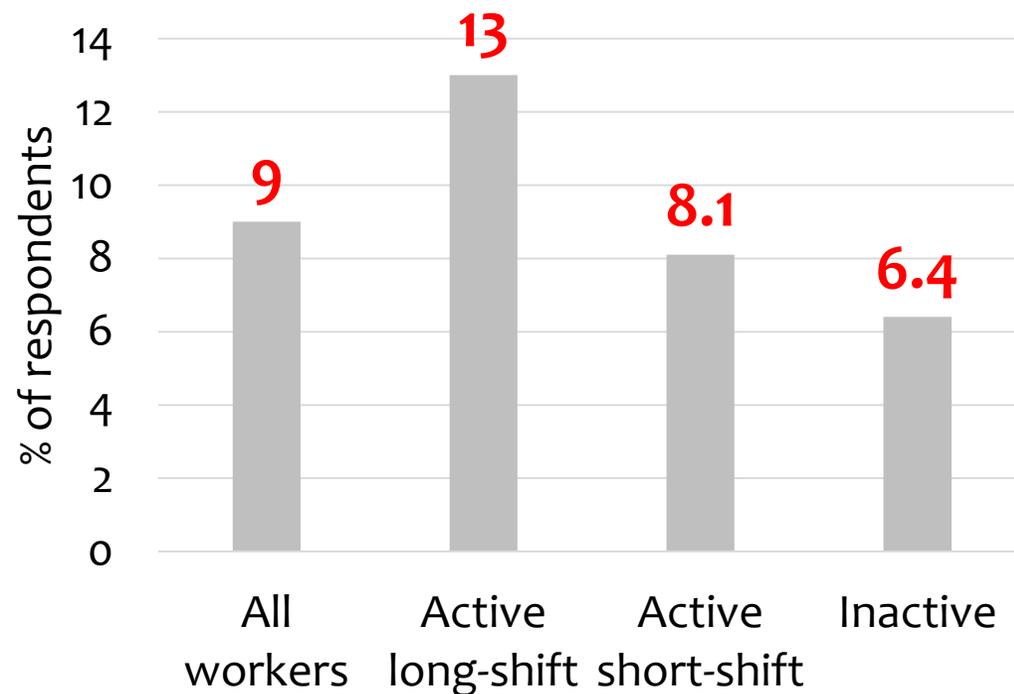
Work Formal, Worker Informal

- Task-based versus tenure written contracts
- Accident versus health insurance
- Paid leave
- Pensions



Food delivery acts as a tool for social protection

**Joined Platform due to Job Loss
(% of respondents)**

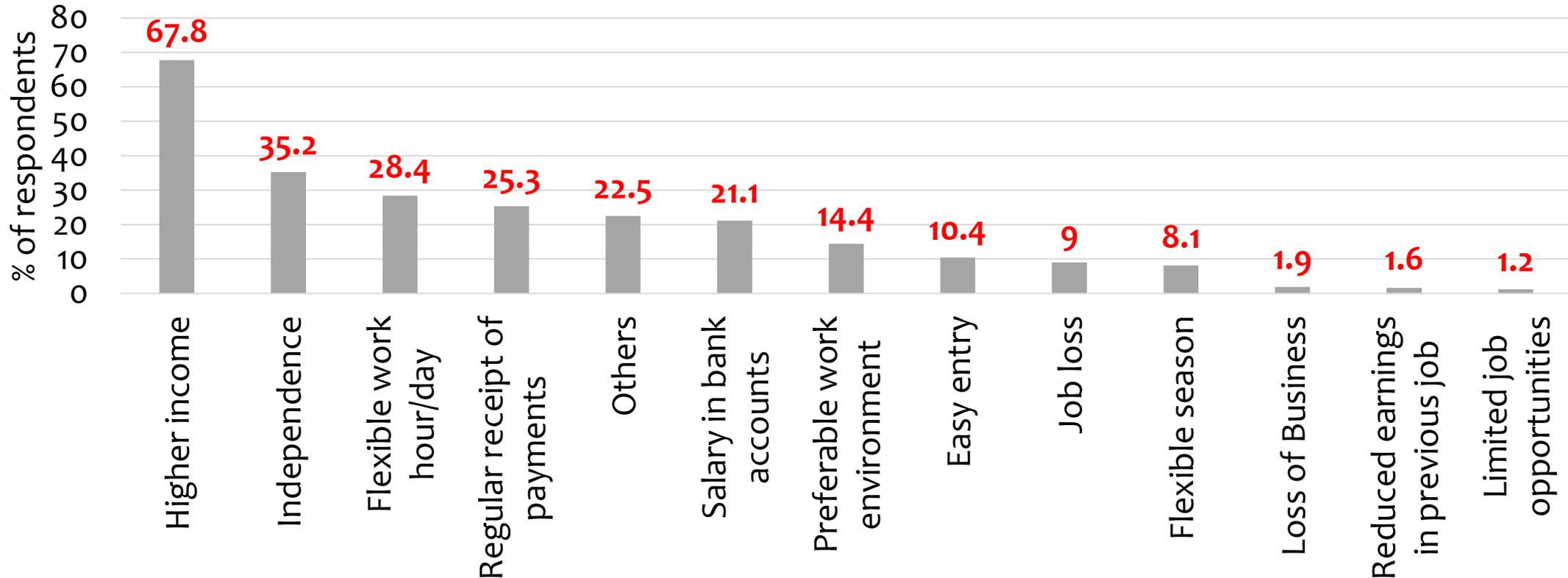


- 9 per cent of respondents responded with 'job loss' as a reason for joining.
- 31.6 per cent responded that they were unemployed before joining the platform
- The average duration of unemployment before joining the platform was 5.4 months.

Key Results: Income

67.7% responded that they had joined the platform because of higher or additional income but....

Reasons to Join Food Delivery Platform (% of all respondents)



Platform workers earn more than the average urban male worker but...

Survey: Active long-shift worker

- **Weekly working hours: 69**
- **Average monthly earnings: Rs 20,744**

PLFS 2021-22: Urban male worker (aged 18+)

- Weekly working hours: 55
- Average monthly earnings: Rs 18,600

PLFS: Urban male youth worker (aged 18 to 29)

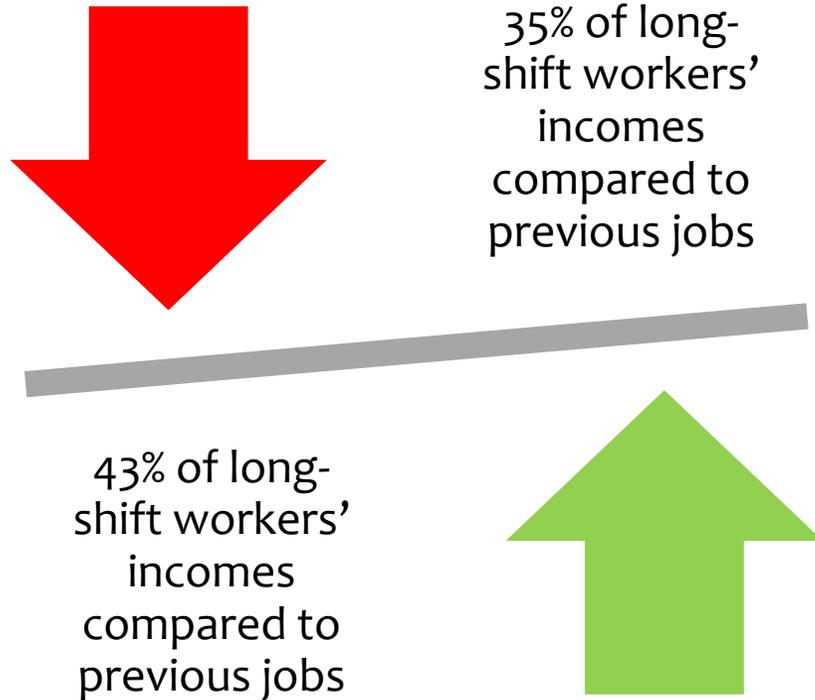
- Weekly working hours: 54
- Average monthly earnings: Rs 13,000

PLFS: Urban male worker (aged 18-35) with education Class XII and above

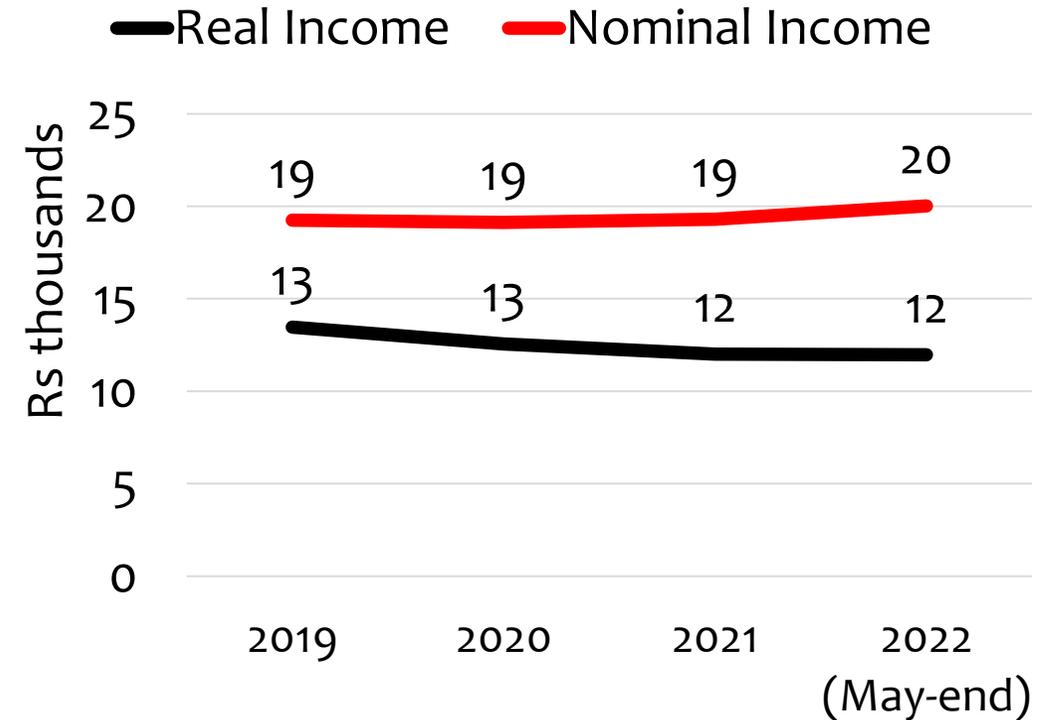
- Weekly working hours: 56
- Average monthly earnings: Rs 22,494

Are long-shift platform workers “better-off”?

Compared to their previous job, incomes either increased or remained the same for 65% of long-shift workers

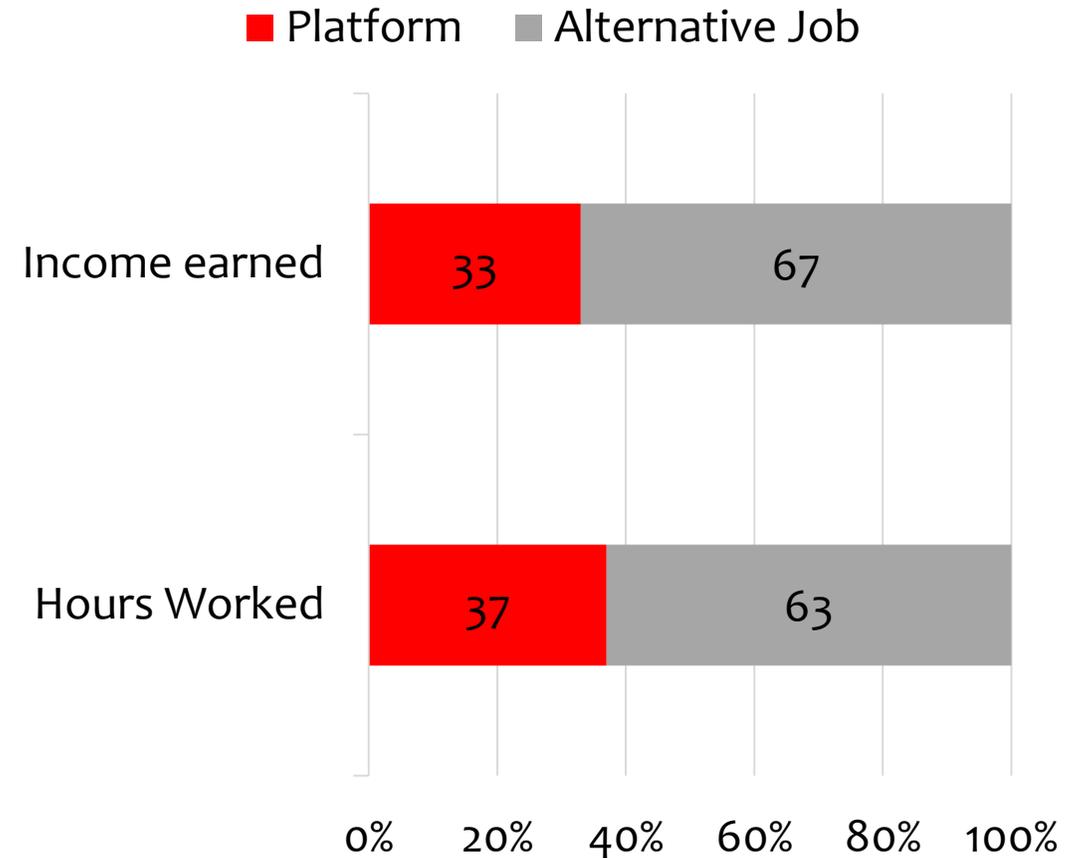


While nominal income went up, real income went down



Active Short-shift workers earn about a third of their incomes from the platforms; 42% in 2022

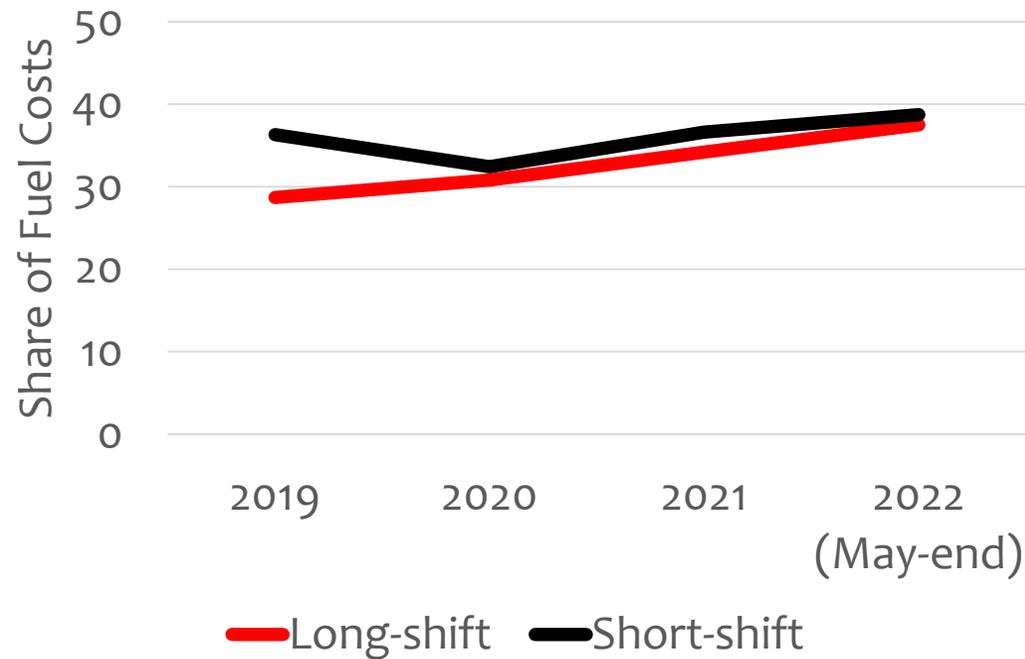
- Short-shift workers are working 82 hours.
 - Platform: 30 hours
 - Alternative Job: 52 hours
- Short-shift workers earned Rs 7,843 per month from the platform.
 - In 2022, they earned Rs 12,149.



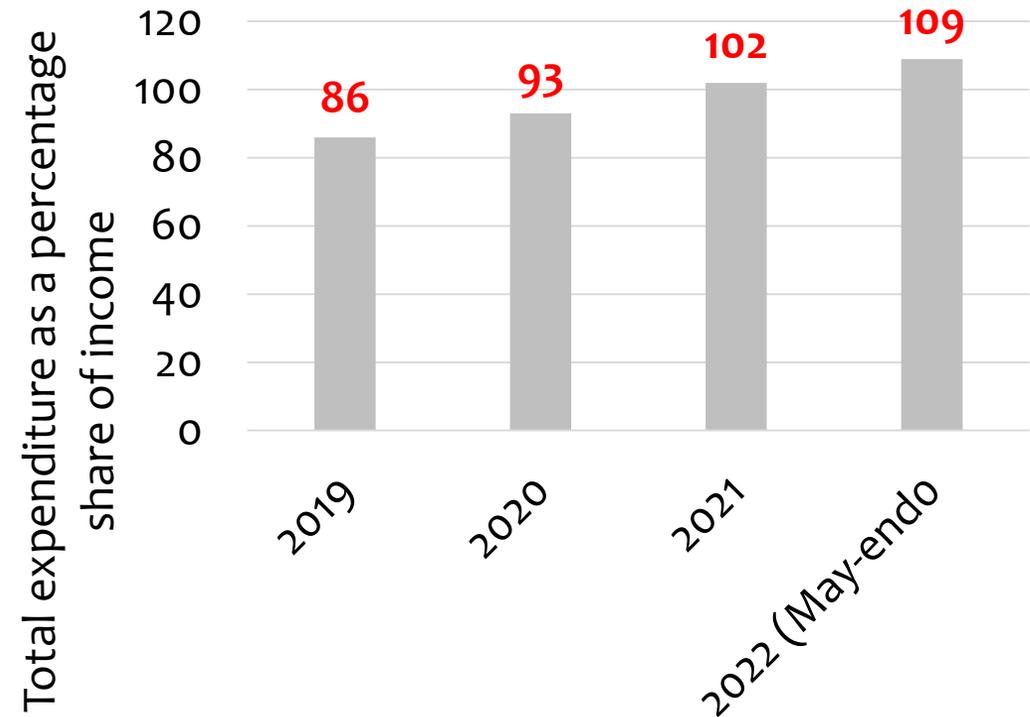
Share of fuel costs in incomes went up

It was hard to meet total expenditures

Share of Fuel Costs as a percentage of platform income went up over time, 2019 to 2022 (May-end)

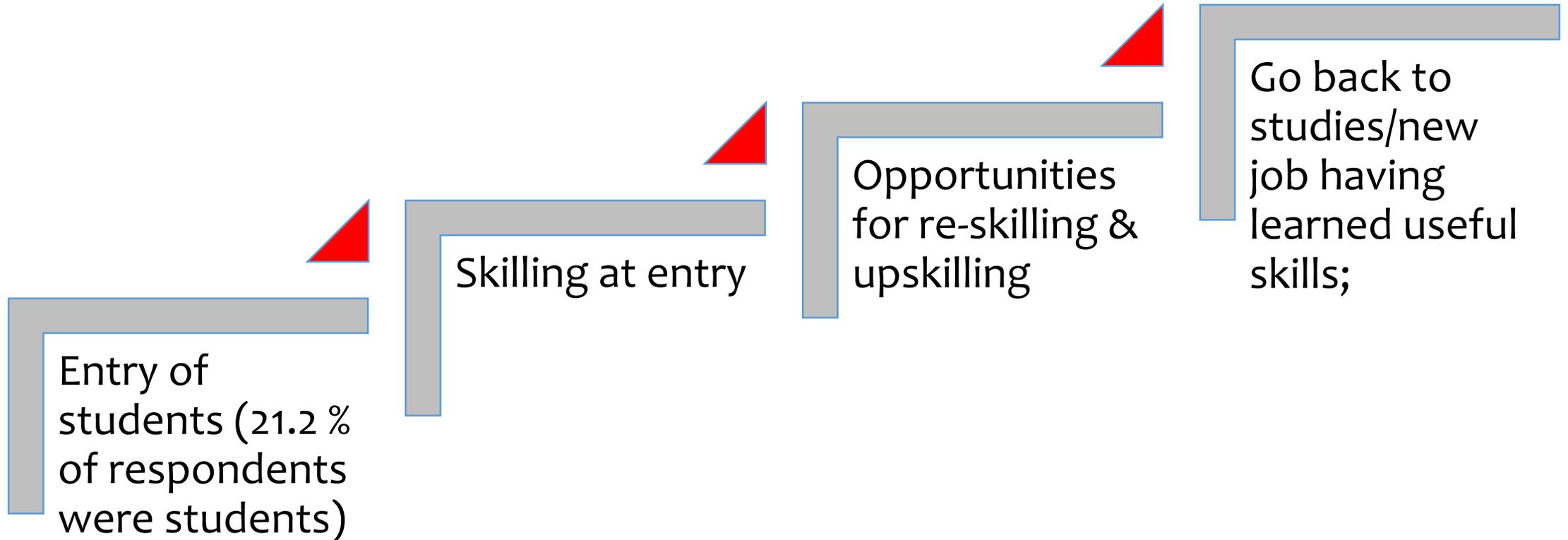


Total Expenditure as a percentage of Income of Long-Shift Workers



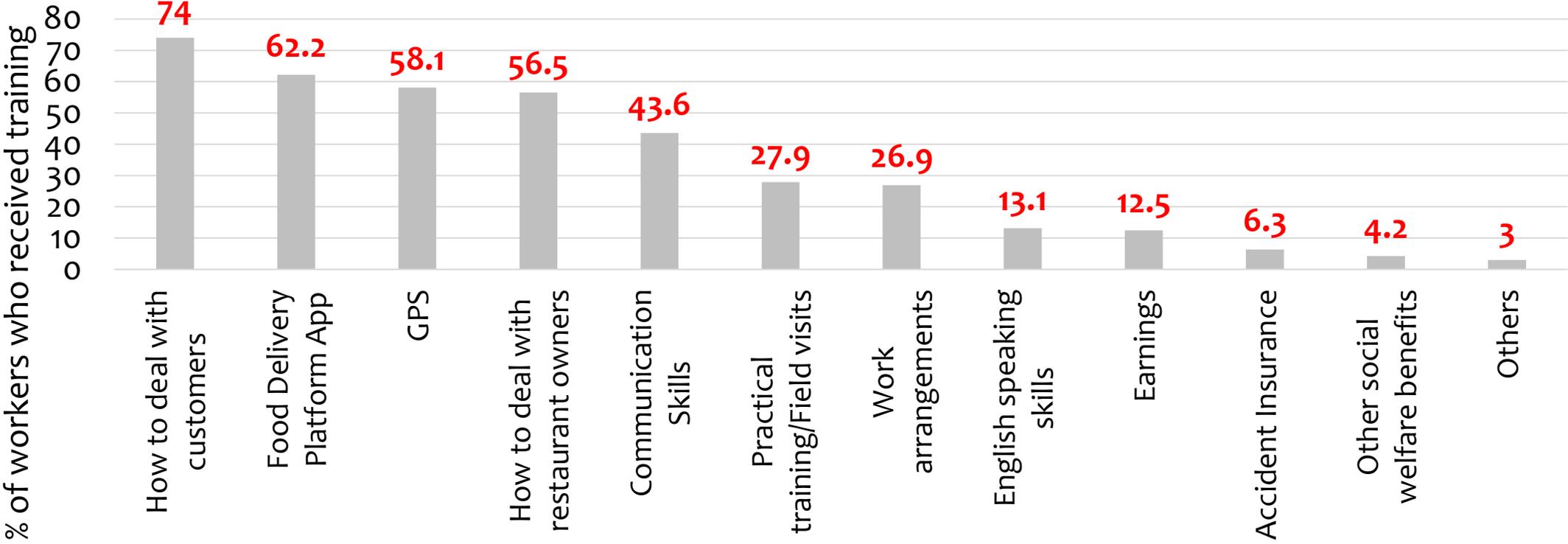
Key Results: Skilling

Food Delivery Platforms Provide Skilling at every Level for Students but ...



88.6% of active workers reported receiving training but

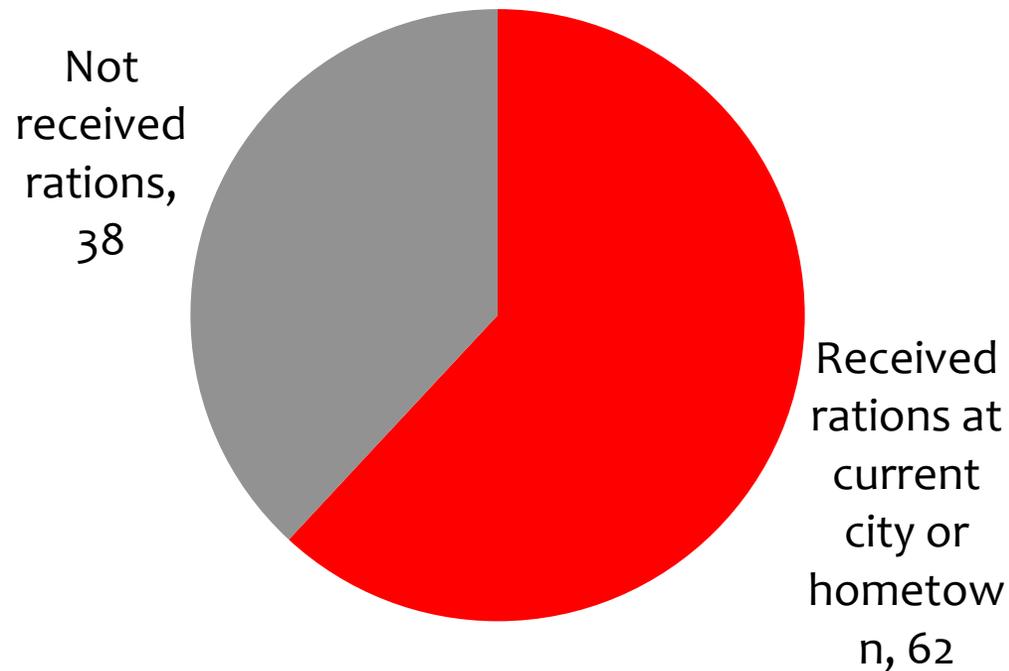
Training Content: Share (%) of workers who received training in the following subjects



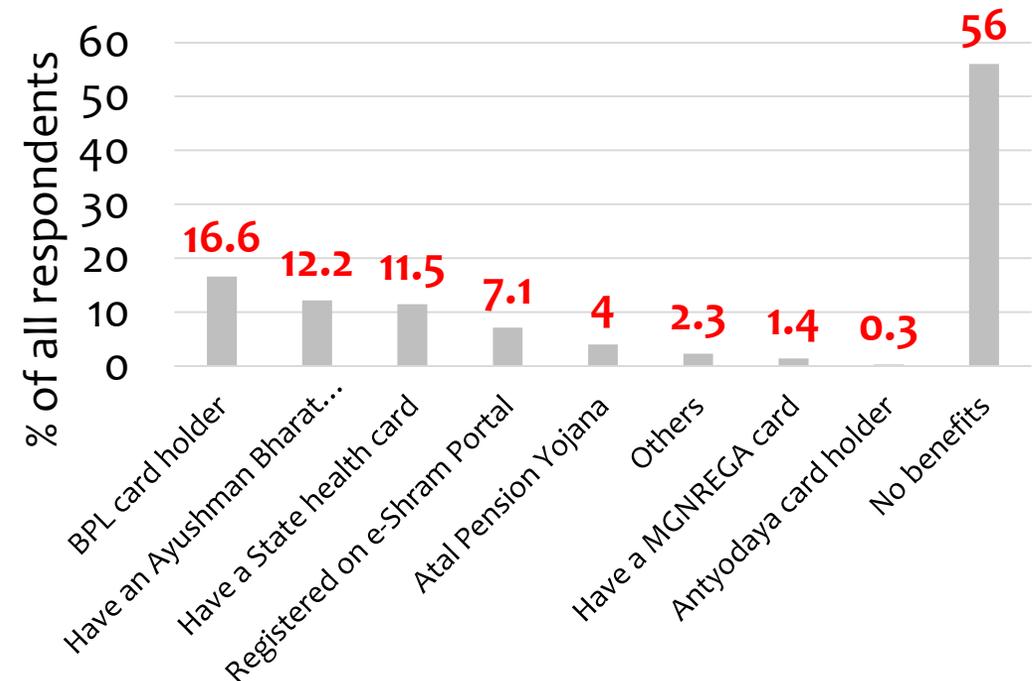
Way Forward & Policy Recommendations

100% of workers had accident insurance; 62% had food rations and 56% had no other benefits

Share of workers receiving PDS
(% of all respondents)



Share of workers enrolled in other government social security schemes
(% of all respondents)



Policy Recommendations

- Provide Social security but what schemes, how to finance schemes and for whom?
- Skilling
- Companies need to provide better orientation to their workers

NCAER Core Study Team

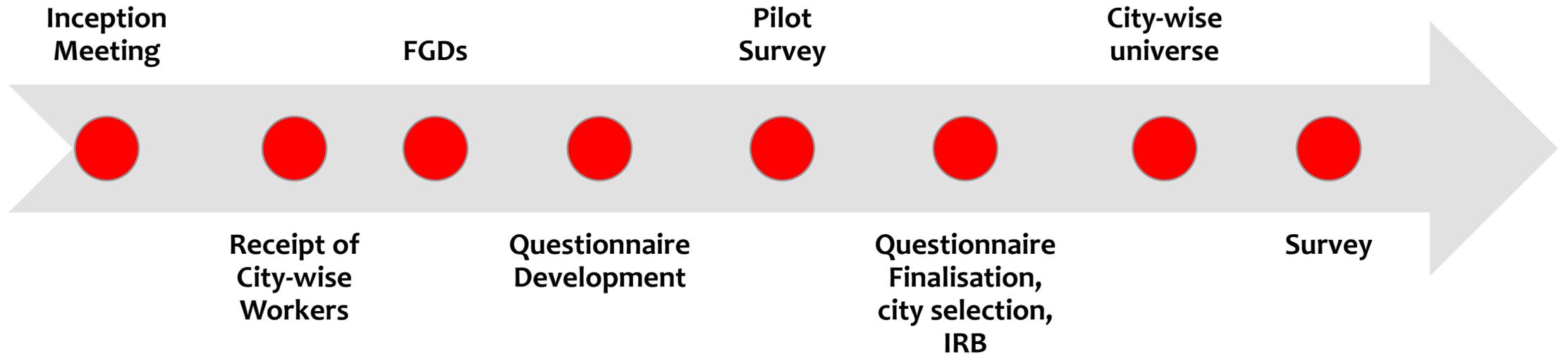
- Prof Bornali Bhandari
- Dr Samarth Gupta
- Dr Gautam Kumar Das
- Mr Ajaya K Sahu
- Ms Nishika Pal
- Ms. Poonam Dhawan
- Mr Karan Raj
- Mr Sharon Thomas

Thank you!

Advisory Panel

S.No.	Name	Background
1.	Prof Sudipto Mundle (Chair)	Chair, Centre for Development Studies, Senior Advisor at the National Council of Applied Economic Research, New Delhi, and Visiting Faculty at the Indian School of Public Policy, New Delhi. Earlier he was: Member of the Fourteenth Finance Commission, Member and Acting Chairman, National Statistical Commission. Member of the Monetary Policy Technical Advisory Committee, Reserve Bank of India. Emeritus Professor, National Institute of Public Finance & Policy
2.	Prof Sonalde Desai	Distinguished University Professor of Maryland, Professor at NCAER and Director National Data Innovation Centre and President of Population Association of America for 2022.
3.	Dr G C Manna	Member of the National Statistical Commission, Senior Advisor, NCAER, Professor Institute for Human Development and ex-Director General of CSO & NSSO
4.	Dr Shashanka Bhide	Honorary Senior Adviser, NCAER, Member of the Monetary Policy Committee (MPC) of RBI and a Non-Resident Honorary Distinguished Fellow at IGIDR, Mumbai
5.	Mr R C M Reddy	Managing Director & CEO of Schoolnet India Limited
6.	Mr. Arunkumar Pillai	Chief Strategy Officer of National Skill Development Corporation
7.	Mr Sehraj Singh	India Managing Director and Head of Corporate Affairs at Prosus

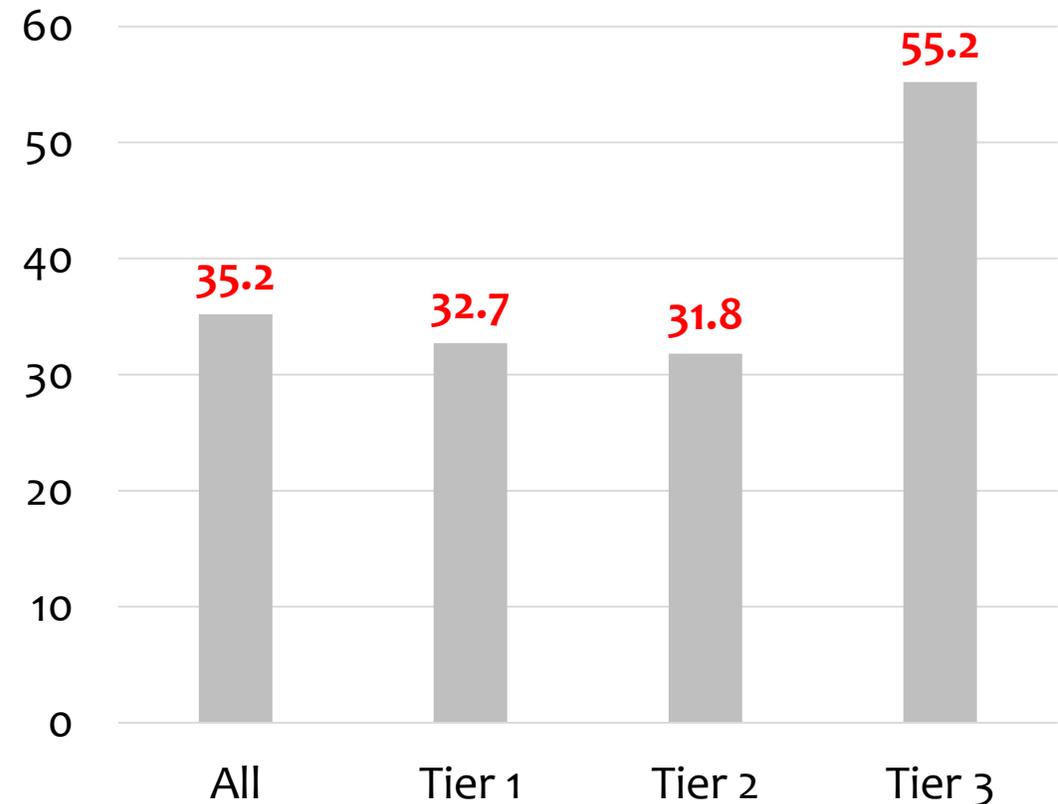
Process



Other insights: Reasons to join platform work

- A higher proportion of workers in Tier 2 cities expressed **‘higher/additional income’** as a reason to join platform work.
- A higher share of Tier 3 city workers are choosing independence, flexible work hour/day, mode and regularity of payments and easy entry as reasons to choose platform work.
 - Their socio-economic background (staying at homes) and conditions of their previous/alternative work (digital and regular receipts of payments) are affecting their choices.
- Platform work is acting as a tool for social protection during distress/unemployment, especially during the pandemic.
- Platform work is indeed offering a stepping **stone for students into a ‘world of work but not necessarily as a career choice in food delivery.**

Independence as a Reason for Joining the Food Delivery Platform
(% of respondents)



Before and After Joining the Platform

(Long-shift workers only who had a job previously)

<i>Indicator</i>	<i>Past Job of Long-shift Worker</i>	<i>Food Delivery Platform Job</i>
Duration of Job (months)	31.8	16.5
Hours in a day	9.3	10.9
No of days that you work in a week	6.2	6.4
Type of contract	69.1% of workers had either no contract or an oral one or a written one of less than one year	100% -written contract; 83.9% were aware of terms & conditions
Employer-provided pensions	25.1%	No
Employer provided medical benefits	25.9% (21.4% of workers who had no contract also had medical benefits)	100% had accident insurance
Paid Leave	40%	No paid leave
Brought any own machinery, equipment, vehicle, materials etc. to work	46%	100%
Direct Deposit of salary in banks	52%	100%

Are workers better off? It depends.....

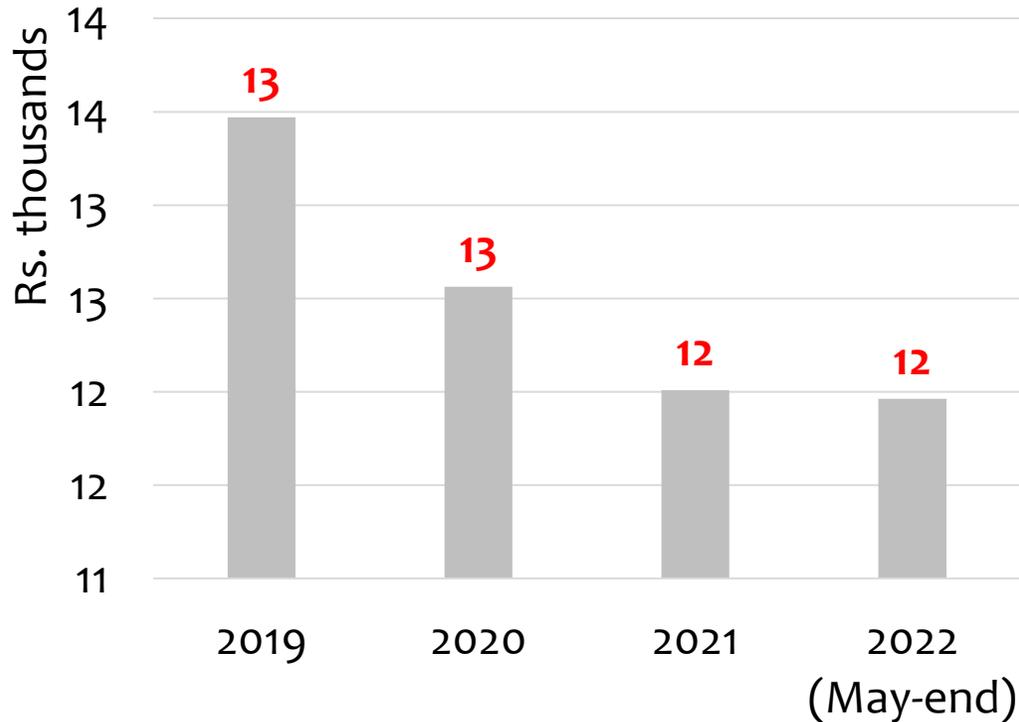
Change in real income for long-shift workers (Platform income minus previous job monthly income)	
<i>Change in Real Income</i>	<i>Frequency (%)</i>
Increase	43.2
Decrease	34.9
Same	21.9

Active Short-shift Workers earn approximately third of their incomes from platforms

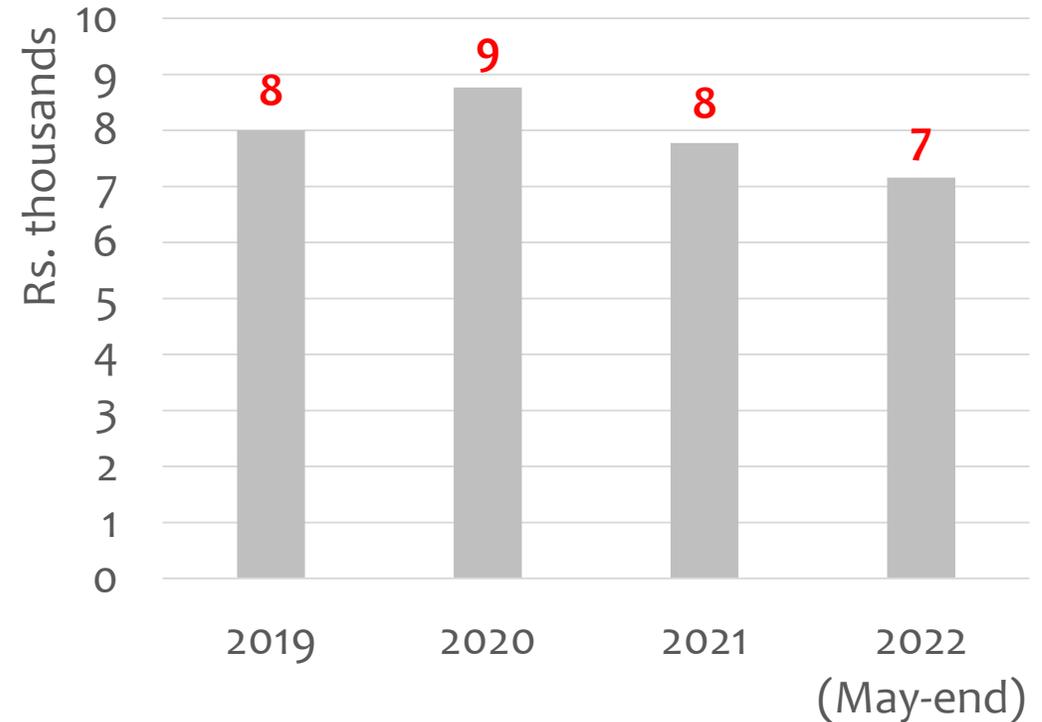
<i>Indicator</i>	<i>Alternative Current Job of Active Short-shift Worker</i>	<i>Food Delivery Platform Job</i>
Share of short-shift workers who have alternative jobs	72% (13.3% were students)	
Duration of Job (months)	44.4	15.5
Hours in a day	8.7	5.0 (evening/night slots)
No of days that you work in a week	6.0	6.0
Type of contract*	52% of workers either had no contract or an oral one. 3.8% of workers had a written contract of less than one year.	100% - task based written contract; 8.6% were not aware of terms & conditions
Employer provided pensions	17%	No
Employer provided medical benefits	21%	100% have accident insurance
Paid Leave	30%	No paid leave
Brought any own machinery, equipment, vehicle, materials etc. to work	32.4%	100%
Direct Deposit of salary in banks	46.7%	100%
Average monthly income (Rs.)	17,000	12,149.0

Average monthly real incomes have decreased over time

Real Average Monthly Income of Long-Shift Workers (Rs)



Real Average Monthly Platform Income of Short-Shift Workers (Rs)



Long-shift workers were breaking even in 2019 and 2020 but not in 2021 and 2022

Average Monthly Income, Fuel Expenditure and Monthly Expenditure of Long-shift Platform Workers, 2019 to 2022

Year	Average Monthly Income (Rs.)	Average Monthly Fuel Expenditure(Rs.)	Average Monthly Expenditure (excluding fuel, Rs.)
2019	19,238.9	4,481.6	12,032.0
2020	19,130.3	5,177.3	12,613.4
2021	19,301.3	5,995.5	13,696.5
2022	20,026.3	6,838.9	14,938.2

Annexure 1: Hypothesis and Motivation

- Who is a gig worker in India? Who is a platform worker?
- If we are going to measure a gig worker, we have to know who is a gig worker.
- **The Code on Social Security, 2020 defines gig worker as a “person who performs work or participates in a work arrangement and earns from such activities outside of a traditional employer-employee relationship”.**
- BCG and MSDF (2021) follow the DCSS 2020 definition
- **“Platform work” is defined separately as 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 that may be notified by the Central Government in exchange for payment.**
- **The NITI Aayog report titled “India’s Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work” (IBGPE 2022) The IBGPE 2022 states that “gig workers can be broadly classified into platform and non-platform-based workers. Non-platform gig workers are generally casual wage workers and own-account workers in the conventional sectors, working part-time or full-time.”**
- Implications for estimating the size, regulatory implications, social security etc.
- Confused

Adapt online intermediation as a key novel feature in the Indian context

Gig Worker and Platform Worker are same

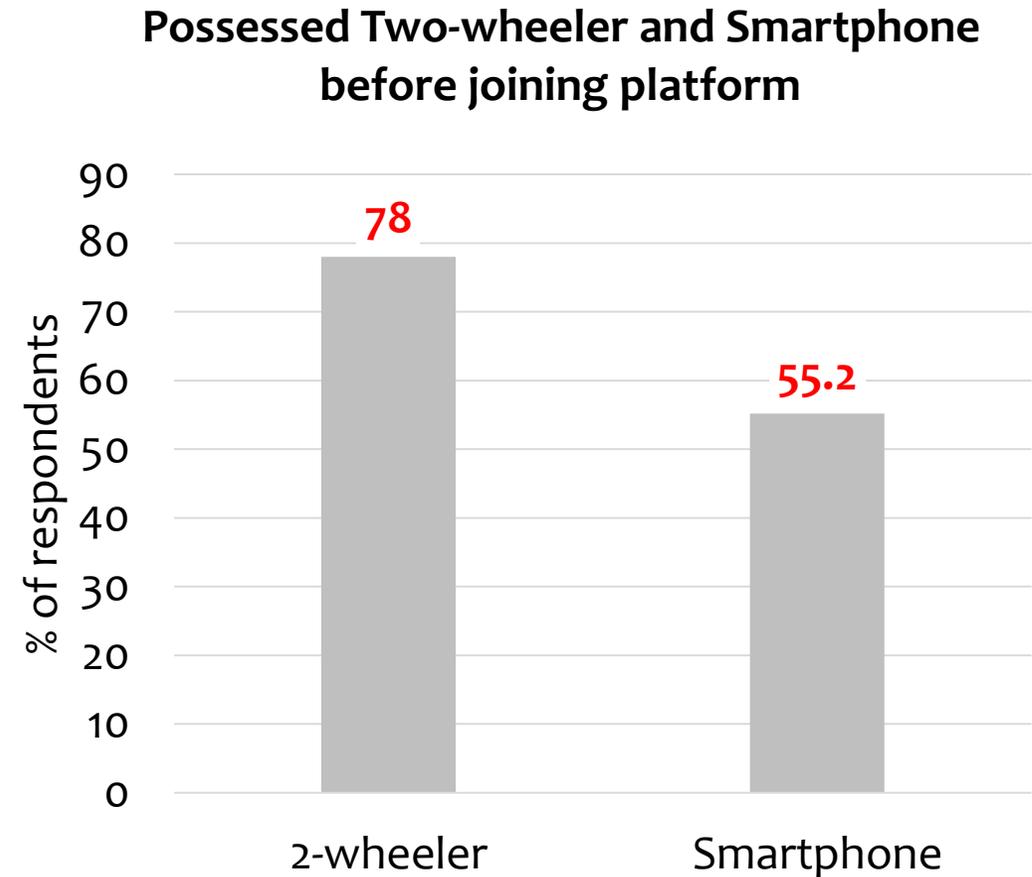
- Koutsimpogiorgos et al. (2020) has found four features to define a platform worker and where the literature differs. We use these four features to define the gig worker.
 - ❖ Online versus offline intermediation
 - ❖ Employee versus independent contractor
 - ❖ Paid versus unpaid
 - ❖ Goods versus services
- Online versus offline intermediation
 - ❖ Intermediation is a key feature of the gig economy
 - ❖ Offline intermediaries have always existed in India (Bellwinkel 1973 and Srivastava, 2016).
 - ❖ Key defining feature of the gig economy is online intermediation
- Employee versus Independent contractor
 - ❖ Independent worker (own-account workers) but
 - ❖ Are they actually independent?
 - ❖ Empirical question and will depend on firm practices– do the workers have autonomy?

Features of a Gig/Platform Worker

- Goods versus Services
 - ❖ Services – online labour platforms is a gig economy
 - ❖ Goods – share economy about capital goods i.e. sharing assets
 - ❖ What about workers which use assets to produce a service?
 - ❖ Is our local phuchka/gol-gappa seller who is on a food delivery platform – a gig/platform worker?
- Paid versus unpaid
 - Paid labour services
 - What about search costs? Should they be paid or unpaid?
 - If we consider the share economy in India, the Air BNB model, there are unpaid household helpers

Easy Entry

- One acquires information through a close-knit network and an interview process. Sometimes one can get away without an interview too.
- The upfront costs of entering the platform are a two-wheeler, smartphone and the kit bag.
- More respondents owned a vehicle (two-wheeler) versus a smartphone before entering the platform.



Only 33% of workers want to stay!

Exit Strategy of all Respondents (% of all respondents)

