

The Role of E-Commerce Platforms in Employment Generation among Gig Workers

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ABSTRACT

The gig economy in India has witnessed rapid expansion, with platforms like Amazon India, Flipkart, Swiggy, and Uber creating employment opportunities. However, challenges such as income instability, lack of social security, and unfair working conditions persist. This study assesses the role of e-commerce platforms in shaping gig employment trends and evaluates labour standards using Fairwork India ratings. Policy recommendations emphasize the need for transparent pay structures and improved social security. Addressing these issues is essential for sustainable and equitable gig work.

Keywords: Gig Economy, e-Commerce Platforms, Labour Standards, Social Security, Fairwork India, Digital Workforce, Employment Trends.

Introduction

Electronic commerce or in simple understanding, is buying or selling of goods and services over using internet. The world has witnessed a steep growth in e-commerce transactions in past decades due to the convenience it offers. It is regarded as most time saving method for transactions as one need not visit any shopping place or shops, as a result a customer saves huge time. Due to technology enhancement and the advent of smartphones shopping has become as convenient as giving a click. As the e-commerce platforms have evolved this has facilitated many other related processes like sale process, mobile payments and secure data transfers making it more and more convenient for the users. It has reshaped the business world by creating significant value to the consumers, businesses and the economy at large. It has immensely contributed in economic growth by creating new opportunities and promoting innovation and entrepreneurship as businesses can reach to customers worldwide. E-commerce platforms work 24X7 making it accessible to vendors and customers all the time irrespective of time zone.

Historically work was bounded by the geographical area. As every working professional, after hours of work would like to return back to their homes therefore workers are usually place based. But the ongoing trend of ecommerce platforms has reconstructed this behaviour of workforce(Harvey, D. 1989). The workers are not tied up to any place or time thanks to the rapidly increasing connectivity. The labour force now has flexible timings and days more importantly doesn't have to go to workplace but instead the work will be allotted at their convenient place this is the new concept of work called as Gig workforce(Graham, Hjorth, and Lehdonvirta 2017). During covid 19 people became familiar with gig workforce but actually it's an old term used to denote a piece of work which will pay them after the work is done. It usually denotes informal work. Gig work force can be described as people who take up project-based jobs very often for multiple clients at once, rather than being employed by a single company. Many freelancers find gigs through online platforms (Harpur, P & Blanck, P. 2020)

A significant rise in gig work is often associated with increased use of E- commerce platforms (Online market for buying and selling of goods & services), which is mostly dependent upon mobile devices, that give access to real time geolocation and peer to peer or business-to-customer" communications. At present there are millions of people engaged in the service of Online companies.

With the rise of E – Commerce, economy has witnessed rise in jobs in the areas of logistics, digital marketing, warehousing and web developer to list a few. This has made it very clear that gig work has proved to be revolutionising the traditional Employment models into the very popular model famously called as “work from home” jobs(**Ola Mobility Institute, n.d.**).

Review of Literature

- Harvey, D. (1989) in his book entitled “The Condition of Postmodernity” discussed the concept of flexible accumulation, where capitalist economies shift towards flexible labour markets, subcontracting, and gig-based work. He pointed out that this shift has led to job insecurity and uneven development, benefiting corporations while exploiting workers. This transformation has explained the uncertain nature of employment in the modern gig economy.
- Graham, Hjorth, and Lehdonvirta (2017) in their book "Digital Labour and Development: Impacts of Global Digital Labour Platforms" examined how global digital labour platforms such as Amazon, Upwork, fiverr impact worker livelihoods, highlighting both opportunities and challenges in the gig economy. They argued that while digital platforms provide income opportunities but also raise concern over exploitation of workers as there is no social protection and fair platform governance.
- Harpur, P & Blanck, P. (2020) in their research paper have explored how flexible, on-demand gig work has replaced traditional occupations due to e-commerce platforms. These platforms increase employment options by establishing independent contractor roles through the use of mobile technology and real-time geolocation.
- Ola Mobility Institute, n.d. The Ola Mobility Institute highlights the need for comprehensive welfare measures for gig workers in India. The report emphasizes the importance of social security provisions, including health insurance, accident coverage and pension schemes to protect workers from economic instability. It advocates for portable social security benefits that workers can retain across platforms and calls for the recognition of gig workers as a distinct category within labour laws. Additionally, it stresses the need for minimum earning guarantees and dispute resolution mechanisms to ensure fair working conditions.
- The Dialogue Box, n.d. This study highlights the atrocities faced by gig workers, including income instability, job insecurity, long working hours, and lack of legal protections. It discussed the unregulated nature of gig employment, where workers are classified as independent contractors rather than employees leaving them without fixed wages, social benefits, or bargaining power. The report also highlights worker protests and demands for fair wages, underscoring the need for government intervention and stronger labour rights enforcement.
- Fairwork India, (2023) the Fairwork India Ratings 2023 assess gig platforms based on fair pay, fair conditions, fair contracts, fair management, and fair representation. The study evaluates major platforms such as Urban Company, Flipkart, Swiggy, Dunzo, Uber, and Amazon Flex, revealing that many fail to provide job security, fair wages, and social protections. Platforms such as Urban Company scored relatively high (7/10), while others, such as Amazon Flex and Uber, scored 0/10, indicating significant labour rights concerns. The report recommends transparent pay structures, stronger platform accountability, and regulatory interventions to improve gig workers' conditions.
- NITI Aayog, (2022) the report published in the year 2022 has provided an in-depth analysis of the growth and future of India's gig economy, projecting that the number of gig workers will increase to 23.5 million by 2029-30. It identifies income volatility, lack of legal recognition, and absence of social security as major challenges. The report recommends financial inclusion initiatives, access to skill development programs, and the establishment of social security mechanisms to ensure sustainable livelihoods for gig workers. It also emphasizes the need for data transparency and clear worker classification policies to strike a balance between flexibility and fair labour standards.
- Government of India, Ministry of Labour & Employment, (2022) the Code on Social Security 2020 is India's first legal framework to address the rights of gig workers. It mandates that aggregator platforms contribute to a social security fund to provide workers with benefits such as health insurance, accident coverage, and retirement schemes. The code aims to extend universal social security protections to gig workers, but challenges in implementation remain, as

many platforms have yet to comply fully. Despite its shortcomings, this new rule serves as an essential step towards formalizing and protecting gig employment in India

Research Gap

There has been a good amount of research conducted on E – Commerce platforms and many studies have explored Gig workers extensively but little has been done to understand the opportunity of gig works created by these platforms. Existing studies do not explore sufficiently regarding employment generation for gig workers by E -commerce platforms this becomes even more important as the reliability of these workers on gig works has increased post Covid 19 pandemic.

Need and Importance of the Study

According to the report published by NITI Aayog in the year 2022 the workforce in gig economy is going to reach 2.39 crores by 2029. The advent of E-commerce has created new opportunities for gig workers in the field of digital marketing deliveries, customer support, Content creations. This rapid expansion of E-commerce makes it all the more crucial to analyse the contribution of these platforms in creating employment opportunities for gig workers. With increasing trend of flexible employment gig work has become significant employment source especially in urban areas. Government requires data driven insight to create policies to support gig workers. This study may help policy makers to understand the nature of E-commerce related gig work and craft strategies to protect the interest of workers employed in gig work related to E-commerce.

Scope of the Study

This study explores the role of E-Commerce platforms in employment generation among gig workers in India. This study aimed in studying 10 E-commerce platforms across three sectors namely-

- Online marketplaces- Amazon India, Meesho, Flipkart
- Freelancing and digital services – urban company, fiverr, Upwork.
- Delivery and logistics – Swiggy, Dunzo, blinkit, Uber

Objectives of the Study

- To identify the categories of employment created by E – Commerce platforms.
- To evaluate the fair work practises of select E- commerce platforms employing Gig workers by using Fair work Rating.
- To suggest the measures to policy makers and E – Commerce platforms to enhance labour standards for gig works.

Research Methodology

The first objective of this paper is accomplished with help of secondary data collected through journals and research articles. The second objective will be studied with help of annual reports and policy documents published by the 10 companies mentioned in the scope of the study and should be chronicled in simple bar charts. The third objective can be done by analysing government reports, articles and magazines.

Sampling Techniques

To study the role of E-Commerce Platforms in Employment Generation among Gig Workers, the data of 5 years (2019-2024) published by 10 different E-Commerce companies will be collected and analysed.

Table 1: Categories of E- Commerce Platforms Selected for the Study

S. No.	E- commerce Platforms	Categories of jobs
1	Amazon India	Opportunities for third party sellers. e, individuals or businesses that list their products on Amazon, flex delivery partners in other words means working for Amazon by using one's own vehicle and mobile phones, seasonal warehouse associates, third party delivery partners which refers to external companies partner with Amazon to handle logistics
2	Meesho	Resellers (individuals or business ordering from Meesho and selling it to retailers) promote their business by ordering from Meesho and reselling via WhatsApp, Instagram, and Facebook without maintain the inventory.
3	Flipkart	Small business, artisans can reach to large audiences without incurring cost of maintaining inventory, packaging and delivery.

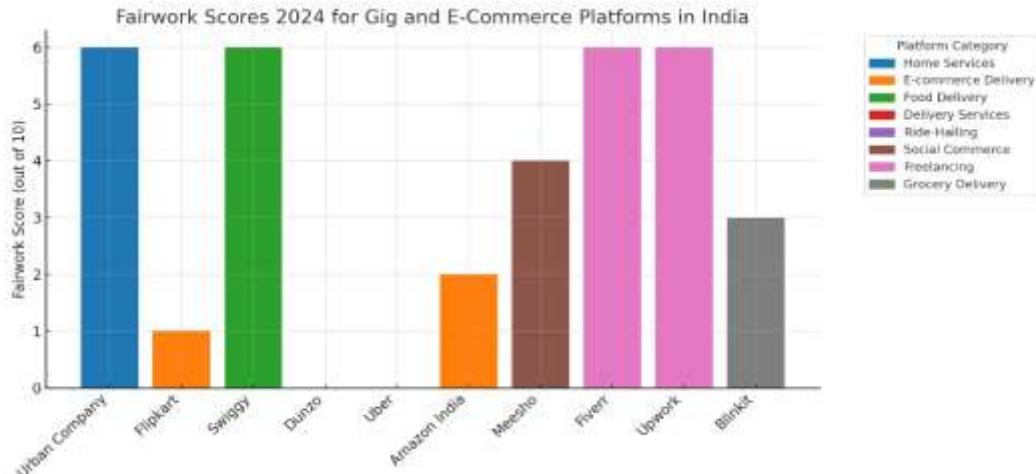
4.	Urban Company	It's a platform which connects the skilled professionals with customers in need of personal and home services.
5.	Fiverr	Freelancers can offer their digital services to clients spread worldwide.
6.	Upwork	This freelance company connects software professionals with business creating opportunities for gig in web development, mobile app creation, animation etc.
7.	Swiggy	The platforms connect local restaurants to customers creating a gig for delivery services.
8.	Dunzo	The app creates gig for on demand delivery of groceries, medicines and essentials.
9.	Blinkit	It focusses on quick deliveries creating jobs for delivery boys and third-party logistics workers.
10.	Uber	This platform offers gig opportunities in transportation and freight services.

The growth of gig economy in India has seen a progressive growth from 0.54% in 2011-2012 to 1.33% in 2019-2020. The data of 2020-2021 of NITI Aayog (2022) portrays the gig economy workers stand at 7.7 million. It is estimated that this trend could rise up to 23.5 million by 2029-2030. (**The Dialogue Box, n.d.**).

Table 2: Fair Work India 2024

S. No.	Company	Fairwork India Score (Out of 10)	Gig Work Model	Key Issues
1	Urban Company	6/10	Home Services	<ul style="list-style-type: none"> • poor working conditions • Lack of social security measures • Earnings depend on demand
2	Flipkart	1/10	E-commerce Delivery	<ul style="list-style-type: none"> • Moderate working conditions • Work pressure during peak sales • Earnings vary based on demand
3	Swiggy	6/10	Food Delivery	<ul style="list-style-type: none"> • Unpredictable income • Long working hours for better earnings • No employment benefits
4	Dunzo	0/10	Delivery Services	<ul style="list-style-type: none"> • Lack of job security • Unpredictable earnings • Reports of delayed payments
5	Uber	0/10	Ride-Hailing	<ul style="list-style-type: none"> • High commission cuts • No social security benefits • Regulatory challenges
6	Amazon India	2/10	E-commerce Delivery	<ul style="list-style-type: none"> • Classified as independent contractors • No employment benefits • Work pressure during peak seasons
7	Meesho	4/10 (estimated)	Social Commerce	<ul style="list-style-type: none"> • Earnings depend on sales • No fixed income • Limited worker protections
8	Fiverr	6/10 (estimated)	Freelancing	<ul style="list-style-type: none"> • Competitive market • Platform fees reduce earnings • No job security
9	Upwork	6/10 (estimated)	Freelancing	<ul style="list-style-type: none"> • High competition • Service fees charged by the platform • No employment benefits
10	Blinkit	3/10 (estimated)	Grocery Delivery	<ul style="list-style-type: none"> • Unstable income • Work pressure during peak hours

			• No employment benefits
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Source: Fairwork India. (2024). *Fairwork India Ratings 2024: Labour standards in the platform economy*. Oxford Internet Institute, University of Oxford & IIT Bangalore. <https://fair.work/en/fw/publications/fairwork-india-ratings-2024>

The Fairwork India 2024 score reveals significant disparities among E-commerce platforms in labour standards. Urban company, Swiggy, Upwork and Fiverr scores are higher i.e., 6/10 projecting better labour standards in comparison with platforms like Blinkit, Meesho and Amazon India (Amazon Flex). Whereas platforms like Dunzo (0/10), Uber(0/10) and Flipkart(1/10) are indicating poor Fairwork practises. E-Commerce platforms such as Blinkit (3/10), Meesho (4/10) and Amazon India(4/10) are pointing out the need for stronger labour standards and fair employment conditions.

Measures to be adopted by E-Commerce platforms and policy makers for the better working conditions of Gig workers to enhance employment opportunities

The rise of gig economy in past few years though popular for its flexible job opportunities but there are concerns related to income instability, lack of social security benefits, demanding working conditions and job insecurity. To address income instability the platforms should adopt minimum guaranteed wages and have transparency in calculation of earnings (**Fairwork India2023**). Yet another significant challenge which needs to be addressed is the absence of social security benefits. The gig workers should have access to portable social security funds, health insurance and pension schemes. (**NITI Aayog 2022**). The Job security and fair treatment can be accomplished by grievance redressal mechanism and collective protest by workers against unfair practices. E-Commerce platforms play a vital role in enhancing employment opportunities for gig workers. Platform that invest in better working conditions, employment benefits and job security can enhance employment opportunities for Gig workers. To tap this opportunity of rapidly growing gig economy of India the policy makers and platforms need to implement the above measures to create more balanced and sustainable Gig economy(**Government of India, Ministry of Labour & Employment, 2022**).

Findings

Findings indicate that while some platforms, such as Urban Company and Fiverr, offer relatively better conditions, others, including Amazon Flex, Uber, and Dunzo, have been criticized for poor labour protections. Earnings uncertainty, high commission fees, and absence of employment benefits are major concerns across platforms. Additionally, the Fair work India ratings reveal significant disparities in working conditions, emphasizing the need for urgent policy interventions.

Conclusion

It is very obvious that the gig economy has rapidly changed the face of Indian employment sector pumping in more freelancing E-Commerce and delivery jobs. however, the other side of the coin is tinted with concerns related to income instability, lack of social security benefits, demanding working conditions and job insecurity. Recommendations include on income instability, lack of social security benefits, demanding working conditions and job insecurity ensuring fair wages, implementing transparent pricing models, providing social security benefits, enforcing better working conditions.

By addressing these challenges, India's gig workforce can transition towards a more sustainable and dignified employment model. It is time for collaborative efforts between governments, platforms, and workers to ensure a fair and inclusive digital labour market.

The suggestions are to focus on improving working conditions especially long working hours, high work pressure and delayed payments addressing these issues can prevent exploitation of workers. Implementing the above-mentioned measures can be helpful in creation of more balanced and sustainable gig economy.

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