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A Case of Food Delivery Workers in Karnataka

Kavya Bharadkar, Kaveri Medappa, Mohan Mani, Pradyumna Taduri, Sachin Tiwari

NATIONAL LAW SCHOOL OF INDIA UNIVERSITY (NLSIU) BANGALORE
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Kavya Bharadkar*, Kaveri Medappa**, Mohan Mani*,
Pradyumna Taduri***, Sachin Tiwari*

*Centre for Labour Studies, National Law School of India University;
**University of Sussex; ***International Institute of Information Technology Bangalore

Abstract

This study is a contribution to the understanding of jobs in platform economy or gig economy. It attempts to examine the earnings of platform workers and explores their experiences on the job in Bengaluru. The study documented below the minimum wage earnings despite long work hours well beyond 8 hours on average per day for most platform workers engaged in various food delivery platforms in Karnataka. When direct operational costs and fixed costs borne by the workers were also factored in, the earnings from this work were found to be paltry. The workers experienced high levels of stress and anxiety compounded with financial precariousness given the uncertainty of earnings. Most workers stayed with one platform at a time. Their everyday experiences revealed the numerous conditionalities imposed on these workers, a large majority of whom depended on food delivery work as their only source of livelihood. The extent of control imposed by platforms and their unilateral decisions regarding work conditions was in stark contrast with the discourse of ‘flexibility’ and ‘entrepreneurship’ they claimed to engender for their ‘partners’, and which had enticed many workers to join this work. The study therefore refuted the industry claims of platform work being very remunerative, and of workers being free agents, nor linked to any one platform. It raised the possibility of enforcing a unique employer-employee relationship in the sector. The evidence from the study contributes a contrary view to the current mainstream discourse on platform work, where many policy and media representatives represent platform work being the answer to India's problem of job creation. The evidence suggested that quality of platform jobs must be
examined closely, and built a case for regulation in the sector. The study therefore also raised questions on the adequacy of regulatory coverage suggested for platform work in the recently legislated Labour Codes.

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Introduction

The platform economy, and nature of work in this emergent space have been receiving wider attention. Jobs offered by platforms have also increased rapidly. There are diverse opinions about the necessity of these jobs, even while there is increasing realisation that these jobs provide low earnings. The objective of this paper is to explain a set of trends seen in platform work in Bengaluru, – evidenced from data gathered on money earned by food delivery workers over a period of time in January 2020; and from detailed interviews of work experiences conducted with the workers. In the context, the paper attempts to examine if platform work can be regarded as decent work, compared to minimum national standards for formal sector employment. The standards considered include guidelines on wages, number of work hours, paid leave, and workplace safety.

The study sought to unravel the world of work in digital platform labour and test the reliability of certain rhetoric used by platform companies about work – especially about the prosperity accruing to workers, their unhindered freedom to work multiple jobs simultaneously and engage with multiple platforms, the
part-time and flexible nature of their engagement and continuing and implicit consent to the dynamic terms of engagement. The following were identified as areas of inquiry based on a series of iterative discussions conducted at the National Law School of India University (NLSIU) among the core study team. These discussions benefited from the participation of current workers employed with the various food delivery platforms. Based on the discussions the following were prioritised as the most critical requirements for regulation from the perspective of workers, taking into account ILO’s conceptualisation of Decent Work:

- Nature of employment relationship
- Documentation of terms of engagement
- Working hours and holidays
- Computation of wages and payment of minimum wages
- Incentives and behavioural nudges
- Transparency and sharing of information vital to employment relations
- Dispute and grievance redressal
- Influence of unilateral ratings upon livelihood
- Freedom of association and collective bargaining
- Compensation for workplace injuries
- Medical insurance and vehicle insurance, maintenance costs of asset

The paper begins with a discussion of forms of work and their current understanding with respect to definitions, regulations and observed trends. The next section explains the methodology adopted by the study. It is important to note that this is a preliminary effort in tracking earnings data of platform workers in India. The section on ‘Experience of Workers in Platform Work’ comprises of observations and findings from qualitative and quantitative investigation of workers’ experience with the platforms. The section begins with motivations of workers. This is contrasted with a list of practices which are
deployed by the platforms in managing workers and their earnings. A glimpse into ways in which communication is conducted over the apps with the Exhibits. The quantitative part of the study is based on earnings data of the workers. The section concludes with presenting the data analysis in response to the question ‘Is Platform Work Decent Work?’ As the study concluded the world was hit by Covid-19 pandemic. The last section of the report describes how platform work rose to a new level of importance and underwent a change in perception during the early days of Covid-19 restrictions and lockdowns.

**Forms of Work and Their Current Understanding**

**What is Platform Work?**

The terms gig work and platform work are used interchangeably to cover a large set of new employment practices in industry where the ‘employee’ is sought to be replaced by the self-employed ‘entrepreneur’. The large variation in forms of employment also include a graded variety of freedoms and bargaining power that the ‘employees’ enjoy in this contractual form of employment.

According to the ILO, work in the platform economy falls into two major categories (De Stefano, 2016). The first is ‘crowd-work’ which is usually carried out online and connects a vast network of freelance service providers with organisations and individuals seeking their expertise (this form of work is usually carried out online and across geographical borders). The second category is termed ‘work on demand via apps’, or ‘app-based work’, which is the area of focus of this report. It involves online platforms that connect service providers, often working on a piece-rate commission, to people who wish for certain tasks to be carried out by them. Such work is typically carried out in person (Wood et al, 2018).
Both categories of platform work are prevalent in India. A survey in India by Noble House in 2018 indicates that at least 70% of respondents, primarily managers or human resources personnel in companies, had made use of gig workers (freelance professionals with good marketable skills) engaged through crowd-work to solve organisational problems (PTI, 2019). This form of ‘crowd-work’ is mostly carried out remotely and mediated over websites which allow those seeking and providing services to converse and negotiate in exchange for a small commission. There is a strong correlation between the nature of work, the agency available to each worker to negotiate the terms of exchange for their services, and the remuneration provided by such work.

App-based work is “completely distinct” different from crowd-work in the socio-economic profile of participants and employment relations. Crowd-work involves negotiation between the person assigning work and the person offering to carry it out – this discussion is ruled out in app-based work, since an algorithm assigns workers to tasks and determines the remuneration attached to carrying it out (Duggan et al, 2019). Individual workers in such professions have no ability to negotiate the terms of work or conditions of remuneration with the company profiting from their work - they are rule-takers. This is the sector that has been growing rapidly and creating new urban jobs in a totally unequal environment where the workers are forced to accept opaque and changing rules of engagement. This is the category of platform work where the government is faced with demands for regulation of employment relations.

**Size of the Platform Economy**

In India, government estimates project the current potential market size (total addressable market) for the gig economy as USD 3.4 Billion (Monga, 2020). App-based work, which has found a strong footing in India in the last decade, is here to stay. The present pandemic has even led to proliferation of this economy as more people prefer home-delivery of their essentials and services. Several industries make use of app-based platform workers in India, such as
taxi services (the market for these is primarily dominated by Ola and Uber), non-traditional transport services like bike taxis (a prominent entrant in this market is Rapido), food delivery platforms (a space dominated by Swiggy and Zomato, which recently acquired another market rival – UberEATS India), E-commerce platforms (Amazon and Flipkart come to mind, but this space has several smaller players too).

Certain domestic, aesthetic and handy services are offered over apps (pink-collar jobs, beauty and domestic services through platforms like UrbanClap and BookmyBai). There appears to be increasing convergence in the business models prevalent in this space – Rapido, for example, provides bike taxi services and also outsources workers to platforms like Zomato for delivery of food. Some companies perform platform work and staffing services both – Shadowfax outsources its workers services to a variety of platforms like Amazon, Zomato and postal companies. Many of these companies have grown substantially in terms of revenues, market shares and market capitalisation. These companies have often incurred losses for a period of years consecutively before they begin to turn profits. For instance, Zomato’s losses exceeded their revenue in 2019.\(^1\) Ola, one of the largest Indian app-based platforms began its ride-hailing services in 2010 and is one of India’s highly valued start-ups; as per estimates the company had raised capital totalling $3.8 Billion by October 2019 (Business Standard, 2019).

While there are no official estimates of the size of the gig economy in India, several sources point to its growing importance to creating urban jobs. The human resources firm TeamLease estimated 13 lakh new workers joined the gig economy in the second half or the year 2018-19, which was 30% higher than the previous six months. That is, the total addition to the workforce through the gig economy was around 23 lakh workers for the whole year 2018-

\(^1\) Source: Performance Report. URL: [https://www.zomato.com/blog/performance-report](https://www.zomato.com/blog/performance-report)
19 (Rao, 2019). The majority of this employment would be urban, concentrated in the metros and the large cities.

Workers in platform work exhibit a diverse range of skills and education. Many are employed in the transport of goods and people to different destinations within the cities of operation. In September 2019, Zomato the food delivery platform claimed to engage around 2.3 lakh ‘delivery partners’ across India; its competitor Swiggy engaged around 2 lakh delivery persons (Financial Express, 2019). Ola (one of the first large scale gig economy platforms in India) and Uber, the two largest ride-hailing platforms in the country have estimated 20 lakh “driver-partners” each\(^2\). Taken together, just four companies in the movement of goods and people reported engaging nearly 50 lakh Indian workers during the year 2019.

**Regulation of Work**

The platform economy is at present not in contravention of Indian law (Kumar, 2019). It operates instead, in a legal vacuum caused due to the refusal/inability of lawmakers of important labour legislations (most of which are several decades old) to predict the atypical labour relationships in this economy. The application of labour laws is also subverted through the creative use of nomenclature and contract law to characterise the working relationship as that between an aggregator and an independent contractor, as though there does not exist extensive control as would in an ‘employee-employer’ relationship. As a result, a large portion of the workforce engaged in digital platform labour falls outside the protection of legislations guaranteeing workers minimum conditions of work such as minimum wages, acceptable working

\(^2\)Sources: Uber: [https://techcrunch.com/2020/02/08/uber-claims-top-spot-in-indian-ride-hailing-market/?guccounter=1](https://techcrunch.com/2020/02/08/uber-claims-top-spot-in-indian-ride-hailing-market/?guccounter=1);

hours, safe working conditions, social and accidental insurance (Sharma, 2019).

Gig work bears comparison with earlier forms of self-employed work. Employment in the beedi industry in India would be a reasonable basis for such comparison in applicability of labour laws. Even while most of beedi manufacturing happens through home-based self-employed workers, the employment is regulated by a statutory Minimum Wage, and social security provided through the Beedi Workers Welfare Act. There are several legal judgments upholding the regulation of wage and social security for beedi workers. A Constitutional Bench of the Indian Supreme Court, in the case of Mangalore Ganesh Beedi Works Etc. ... vs Union of India (1974 AIR 1832) while discussing applicability of leave wages to self-employed beedi workers held,

“Therefore, the word ‘wages’... will mean wages which are calculated under s. 27 of the Act. The calculation can be made both in respect of workers in industrial premises and home workers in establishments.”

In this context, the legal vacuum where regulation of platform work is concerned might not be as much due to inability to device appropriate methods of regulation, but rather reluctance on part of the state machinery to regulate what it perceives as a large potential employer.

**Platform Work in India**

In media reports and policy circles, and even in academia in India, there is a tendency to romanticise gig work; either as a result of acceptance of the opportunity-based rhetoric of micro-entrepreneurship used by platform companies, or because people tend to conflate the two forms of ‘crowd-sourced’ and ‘app-based’ gig work despite their vast differences. The reality however is that the large majority of gig / platform workers are employed in the lowest spectrum of gig work, that is, localised blue-collar work.
The romanticising of platform work is often shared by even the new entrants to this form of work. Platform companies attract workers using attractive initial incentive schemes. But as the business expands and gains market share, the algorithms governing terms of employment also tighten screws and the workers find work intensity increasing to achieve the same level of earnings (ILO, 2018). The asset light structure of industry loads the burden of investment in productive assets on the workers, and the need to service the investment becomes a further pressure yoking workers to this oppressive relationship. The myth of freedom in work is patent in most app-based employment, where workers can be ‘off-boarded’ (read terminated) for refusing work, or even at times for not being available on the platform for long hours waiting their turn.

The lack of alternative urban work opportunities, and low entry barrier to joining app-based work is creating saturation in the market for such work. The reserve army of urban labour force aspirants has a strong downward pressure on conditions of employment, in the absence of regulation, leading often to a race to the bottom. This is leading to growing unrest among this section of platform workers, as has been evident from work unrest among Ola and Uber drivers, who have gone on strikes in Hyderabad (2017), Bengaluru, Delhi and Mumbai (October 2018) and Kolkata (July 2019), protesting against the lack of safety measures, inconsistency of earnings, and diminishing remuneration they were receiving from these platforms, in turn threatening their ability to pay off the loans acquired to buy cars to participate in platform. Food delivery workers sought public protests to air their grievances against harassment by platforms, misleading advertisements to recruit workers, diminishing pay and unilateral and overnight changes in payment and incentive terms without consulting workers. Such protests were carried out in Chennai (August 2020), Musheerabad and Kochi (June 2019) and Mumbai and Bengaluru (September 2019).
Variations in Platform Work

The lack of clarity in understanding platform work, and distinguishing between the various forms of crowd sourced and app-based work is further increased by the large variation in organisations and work relations existing. Table 1 details some of the participants in this industry.

**Table 1: A typology of participants in the platform industry**

<table>
<thead>
<tr>
<th>Type of Gig Work</th>
<th>Skill Level</th>
<th>Agency of the workers</th>
<th>Earning Potential</th>
<th>Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remote work</td>
<td>High-valued skills</td>
<td>High</td>
<td>High; According to negotiation</td>
<td>Upwork, Fiverr, Gigster, Elance, People per Hour</td>
</tr>
<tr>
<td></td>
<td>Skilled (software development, legal &amp; technical writing, web design)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remote Work or Locally Delivered</td>
<td>Medium-valued Skills</td>
<td>Partial or None</td>
<td>Minimum Wage Workers</td>
<td>Urban Clap (Now Urban Company), Housejoy.in, Uber, Quikr, Aasaan Jobs</td>
</tr>
<tr>
<td>Locally Delivered</td>
<td>Low valued Skills (Delivery of food or goods, pink-collar work)</td>
<td>None</td>
<td>Minimum Wage Workers</td>
<td>Zomato, Swiggy, Dunzo, BookMyBai, Taskbob.in</td>
</tr>
</tbody>
</table>

The owners of most digital platforms claim to be only a ‘marketplace’ or aggregator bringing together the service deliverer and the client, and therefore not an employer of delivery agents. The projection of operations as a technology company and marketplace both creates a perceived distance from delivery partners and avoids legal liability for their actions and legal duties arising from employment of such persons. These platforms take great efforts to avoid the use of ‘workers’ while referring to their ‘delivery partners’ lest an employment relationship be revealed. There is wide diversity in the employment process –
while some workers are engaged directly by the company on a short-term basis, others enter through staffing companies or other platforms such as Shadowfax.

**Conflicts between Platform Work and Labour Codes**

Some commonalities run across the diverse variety of platforms. It includes the hire of services from workers as some variety of independent contractors, fixed-term or casual work, an asset-light model of operations, lack of transparency and frequently evolving conditions of employment, and little capacity for effective engagement with workers individually or collectively for grievance redressal or negotiation (ILO, 2018). The immense wealth generated by digital platforms is accumulated in the hands of very few, while the people who are instrumental to their operations do not receive much share in profits (World Bank, 2019). Several of these companies discourage collective action by workers, in disregard of their fundamental right to Freedom of Association.

The denial of employment relationship and projection of independent partnership helps platforms evade coverage of the Code on Wages, 2019, which guarantees minimum wages, overtime pay, equal remuneration and non-discriminatory treatment of workers, payment of bonus and standardises regulations for how wages should be disbursed and what deductions may be made from the earnings of all wage workers including contract workers (in the formal and informal economy) (Kumar, 2019). Not only are the workers engaged by them denied overtime payment, there is no binding standard for the length of their working day. As a result, their own health is imperilled, and tired delivery workers on the road are a potential hazard to other road users. Non-application of the Equal Remuneration law creates the possibility of men and women being engaged in a discriminatory manner. Evidence already indicates that women in the platform economy earn less than men (ET Bureau, 2019). Different workers are engaged by platforms per different payment structures – based on the duration of their service, their location, the form of engagement.
Constantly changing incentive structures and dynamic pricing add to the precarity of platform labour (Sharma, 2019)

The workers are denied protection under the Employees’ Compensation Act, 1923, which guarantees workers compensation and medical costs in case they incur injuries, illness, disablement or death in connection with their work. The legislation is very relevant, given that most forms of platform work, particularly delivery work expose workers to the risk of injuries, illness, disablement and death. Women workers are denied benefits and protection under the Maternity Benefit Act, 1961.

Workers in platform-mediated work are also denied gratuity benefits under the Payment of Gratuity Act, 1972. The importance of gratuity benefits can be gleaned from the fact that the Code on Social Security Bill, 2019 presented in the Parliament seeks to extend it to fixed term contract workers upon the termination of their working relationship even if such termination occurs before the completion of 5 years of continuous service. Independent contractors are denied this form of social security under Indian law. As a result of the denial of employment relationships, digital platform workers are denied use of the formal machinery of dispute resolution for individual and collective grievances guaranteed under the Industrial Disputes Act, 1947.

**Methodology**

We relied on a mixed methods approach to learn about the lived experiences of workers engaged in app-based food delivery and to gain a granular understanding of their earning levels. Since evidence pointed to a wide diversity of experiences in different industries relying on digital platform labour, a decision was taken to concentrate initially on food delivery work given its rapid expansion across the state in recent years. Food delivery as a sector in platform work exhibits features that merit attention. The sector is probably the most footloose among the various platforms, with the lowest investment needs
and therefore lowest barriers to entry and exit. Besides, the researchers could gain access to a geographically large cross-section of workers facilitated by a trade union of delivery workers. Given the vulnerability of this group of workers, entry and trust is key for gaining insights. An understanding from the qualitative findings and quantitative data on earnings from a larger study can give valuable pointers for legislation to cover regulation within the gig industry, going beyond food delivery sector. The qualitative findings are as a result of long-term studies carried out by the two independent researchers for their own respective theses. The focus of their research aligned with that of this particular study, both of which have revolved around understanding the organisation of work in platforms, to find out how workers experience the technological mediation of work and what the everyday experiences of workers tell us about platform claims around flexibility and freedom. In Bangalore, the researchers met with close to 90 participants during the course of their studies, spanning over a year beginning from March 2019. Semi-structured interviews, open-ended discussions and participant observations were some of the methods adopted to learn about worker experiences in Bangalore.

The researchers conducted fieldwork in different localities of the city and approached workers at places where they usually waited for work – on pavements, in front of restaurants and cloud kitchens – and followed a random sampling technique. However, attention was paid to the ages, regional and language backgrounds of workers in order to have a heterogeneous mix of participants. Learning about workers' experiences from outside Bangalore was enabled by AIDYO, who put the researchers in touch with workers who are also union members in these districts. Interviews were conducted over telephone with workers from outside Bangalore.

The core team also benefited from one of them having developed close contact with workers through engagement with the trade union AIDYO, and another having actually gained experience of working with platforms as part of the
research engagement. Food delivery workers who are members of AIDYO, and AIDYO organisers brought a wealth of direct understanding of worker issues in the meetings and discussions held.

The quantitative part of the study focussed on earnings and work intensity. For the purpose of comparability, it looked at only food delivery workers from Bangalore city and covered a fixed time period of eight days in the beginning of January, 2020. The workers during the period of the study were affiliated to the food platforms Zomato, UberEATS (now acquired by Zomato) and Swiggy, the three major food delivery platforms in the country. After considerations for data validity and reasonable duration in terms of number of days engagement with the platforms during the study period, twenty sets of worker data were considered for analysis.

It is worth mentioning some of the challenges experienced by researchers while collecting income data from workers and the insights it provided us about workers bargaining power and insecurities surrounding surveillance. Despite the researchers assuring complete anonymity to workers, some workers were initially hesitant to share income data as they feared backlash from the platform in case their names or IDs could be traced back to them. In fact, some of the new workers met while collecting income data were initially suspicious of the researchers being auditors sent by the platform to inspect their work. However, the rapport developed by the researchers and AIDYO activists through their long-term engagement with workers proved helpful in building trust and allaying workers’ concerns about being identified by their respective platforms. This also made us re-think ways of collecting quantitative data. Instead of collecting screenshots, we found that workers were more comfortable when we manually wrote down data relating to income and hours spent, thereby not saving any worker details on our devices.

This concern amongst workers was indicative of the fear which platforms instil in their ‘partners’. Most workers were well aware that IDs could be ‘blocked’, or
that they could experience a sudden dip in the volume of orders allocated to them in case workers protested or managers learnt about workers who ‘spoil other workers by complaining about work’. Workers were fully aware that there were no mechanisms/avenues to dispute such punitive actions by local managers, some even having first hand experiences of being warned by managers to not complain about work. These instances were also revelatory of workers’ sheer dependence on these jobs. Despite the worsening work conditions, workers often mentioned that they could not afford to jeopardise this source of livelihood, pointing to the dearth of better alternatives to earn a living as well and the resultant weak bargaining power of labour vis-à-vis capital.

**Experience of Workers in Platform Work**

In the following sections we discuss qualitative findings from our interactions with workers. First, we discuss the motivations of workers to join platform-based food delivery work to throw light on some of the discursive strategies used by platforms to draw workers as well as to highlight the aspirations around platform work, significantly around being able to ‘earn well’ which push workers to seek work on platforms. Secondly, through the everyday experiences of workers we question the applicability of the ‘partner’ label by showing the extent of control exerted on workers and the utter lack of space for workers to decide or at least be consulted on aspects of work which directly impact their income levels, hours of work and overall well-being.

Motivations to join platform-based food delivery work

The promise of better earnings

The motivations for workers to enter platform-based food delivery, although several, primarily revolved around the aspiration to ‘earn more’. Platforms such
as Swiggy, Zomato and UberEATS presented workers with an opportunity to earn more than their previous jobs, where salaries usually hovered between Rs.10,000 and Rs.15,000 per month. Close to 70 percent of our participants were predominantly young (20 to 35 years old) and male, and barring roughly 10 percent of our participants who had come to Bangalore specifically to enter app-based food delivery work, the rest were either from Bangalore or had migrated to the city from other parts of Karnataka and the rest of India (mainly Bihar, Assam, West Bengal, and Orissa) several years ago and had a variety of work experiences behind them. Younger workers, despite their level of educational qualifications, had mostly been employed in low-paid manufacturing work (youngsters with ITI and Diploma training) and in a range of services sector jobs spanning security, housekeeping as well as administrative and low-level managerial positions in retail and hospitality sectors. Poor pay seemed to be characteristic to all these jobs previously held by our participants. Although platform work did not guarantee job security or employee benefits, it was the promise of better earnings, together with the image platforms had built for themselves as different and better than usual jobs, which motivated workers to quit their old jobs and enter platforms such as Swiggy and Zomato. A 29-year-old former worker of Zomato, one of the first workers for the platform in Mysore, recalled:

“They took our ideas, our feedback, we willingly helped them, we were told it was an international company, we thought we were going to grow with this company. We conducted rallies across Mysore to raise awareness about Zomato...we even helped them find and onboard new workers’

- Interviewed on January 28th, 2020

Swiggy, Zomato and UberEATS delivered on their promises in the first few years of their operations (roughly between 2014-2017) by offering very good remuneration schemes (low/easy ‘target’ requirements coupled with generous
“incentives”) to workers in order to benefit from ‘network effects’. App-based service providers such as Swiggy and Zomato depend on ‘network effects’ to grow. This simply means that the more users a platform is able to attract, the greater is the value of the product/service for users, as well as for these companies which use expanding data resources to make their algorithms/work organisation ‘smarter’ and ‘scale’ (or expand market share) quicker. Workers remembered earning close to Rs.1000 a day (after allowing for fuel expenses) in ‘just 8 hours of work’ even until 2017.

Platforms had attracted a growing number of workers who had heard from friends or had received text messages from platforms to join Swiggy/Zomato/UberEATS and not miss out on the opportunity to earn better incomes - incomes of ‘Rs.40,000’ per month; incomes which were at par or even better than entry/mid-level salaries earned in white collar work. It is important to highlight that unlike experiences of workers in more advanced capitalist countries, a striking majority, close to 85% of our participants, worked full-time for platforms. Workers spent their entire day working for one of these platforms and depended on it for a livelihood, this work constituting their primary source of income. In the following sections of this paper, we will further explain how platforms organise work and design their remuneration pattern in a manner that binds workers to a single platform and pushes workers to steadily extend their working hours, thereby problematising platform claims that workers are ‘gig’ workers or that they do platform work for supplementing primary sources of incomes.

‘One earns in accordance with one’s hard-work’

The platform discourse of app-based work allowing workers the flexibility and freedom to ‘earn as per one’s hard-work’ was also a reason for workers to be attracted to this job. Earnings in platforms are on a piece-rate basis, characterised by a ‘target and incentive’ model. Incentives are tied to achieving
a ‘target’ (targets could be number of trips or total earnings) and usually incentive schemes are set in stages (e.g.: Rs.100 if 10 orders are completed; Rs.200 if 20 orders are completed and so on), these thresholds working as nudges for workers, making remuneration seem like game-like. It was interesting to younger delivery workers in the study reiterate platform rhetoric of being able to ‘earn as much as one wants’. Responses such as ‘kashtapattashtu dhudime ide’ [one earns according to one’s hard-work], ‘nam ishta’ [it’s our wish] came up now and then during conversations around workers’ earnings. A 32-year-old Swiggy ‘partner’ from Assam, previously employed as security guard said:

I used to earn Rs.12,000 per month in my previous job. Here [Swiggy] I can earn more...It is up to me. As a security guard I could not get more than Rs.12,000 even if I worked more hours, but here it is possible'.

- Interviewed on Nov 19th, 2019

The language of ‘target’, ‘incentives’, ‘bonus points’ and so on - referred to broadly as ‘gamification techniques’ (Mason, 2018; Rosenblatt, 2018) – also seem to work quite effectively in making the workers feel like they control and shape how much they earn. Frustrated as most workers were in their previous low-paid jobs, platform work seemed to offer them an opportunity to earn as much as they could. Platforms also used various nudges to make workers compete with each other. One such nudge shared by our Zomato participants involved a list ranking best performing delivery workers in a particular location which workers could see every day. Workers also remembered platforms rewarding them with gifts (televisions, phones etc.) in the first few years of operations for reaching certain thresholds of performance, all working to cement the discourse of platforms enabling ‘hard-working’ people to find economic mobility.
Platform work was also attractive because it did not have a ‘boss’ that one was answerable to. ‘We don’t have to answer anyone’, ‘I can take holidays whenever I want’, ‘No one orders me to come to work at 9 am’ were some of the responses suggesting workers appreciated not having a human boss watching their every move. For younger workers, it was the prospect of spending time with co-workers/friends, being out in the open and riding their bikes which, they appreciated. Older workers in their forties and fifties who had lost their previous jobs or had suffered business losses also appreciated ‘not having to work under anyone’ as they mentioned it would be discomfiting to take orders from people younger than them in other kinds of work.

Understanding the motivations for workers to enter platform work is a useful starting point to put into better perspective the importance/significance that these jobs hold in the lives of workers. It also helps see how platforms presented themselves to workers in their initial years of operations, how they built up worker aspirations, and the discourses they used to make workers feel in control over how much they earned by playing up aspects of ‘hard-work’ and ‘flexibility’. It becomes clear through the narratives of workers that it was the prospect of earning higher incomes (and not so much temporal flexibility which allowed the juggling of several jobs) which was the primary consideration for a majority of workers to join platform work. This in turn provides a background against which to understand why workers who were unable to quit platform work, continue to work in it. Although workers have not simply accepted their deteriorating conditions of work - as successive protests by workers clearly indicate - their dependence on platform work and the digital mediation of labour relations in app-based work constrict the negotiating power of workers in platforms.
Unpacking the ‘partner’ label

In the following section, we pay particular attention to the pattern of remuneration in platform-based food delivery work to make explicit some of the non-quantifiable and invisibilized aspects attached to remuneration and its relation to the overall quality of work in platforms. Through this discussion, we wish to interrogate the labelling of workers as ‘partners’ and call attention to the deteriorating conditions of work that such a labelling allows and serves to perpetuate. As discussed before, on-demand service providers such as Swiggy and Zomato refer to themselves as ‘marketplaces’/ ‘technology platforms’, highlighting their role as benign ‘intermediaries’ or providers of technology. We show that such a framing stands at odds with the lived experiences of workers who are subject to severe forms of control, surveillance and punitive action by platforms, which unilaterally decide terms which workers have to comply with if they wish to remain working on the platform.

Conditionalities attached to earnings

On-demand service providers such as Swiggy and Zomato do not guarantee a fixed wage/salary to workers [1] and instead, pay them on a piece-rate basis (per delivery made).\(^3\) As introduced in the previous section, remuneration in platforms, in Swiggy and Zomato, is premised on a ‘target’ and ‘incentive’ model. Currently, ‘targets’ in both Swiggy and Zomato are based on ‘total order earnings’ i.e. the total monetary value of remuneration received by making deliveries. For instance, in some locations in Bangalore, Swiggy has set a ‘target’ of Rs.800 which a worker has to earn through earnings for deliveries, upon reaching which, Swiggy will pay Rs.200 as ‘incentives’ to the worker.

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\(^3\) Swiggy and Zomato had provisions for a ‘minimum business guarantee’ (MBG) in certain cities and certain locations within cities. However, MBG is either arbitrarily cancelled by platforms or undergoes constant changes. In locations/cities where it continues to exist, there are a slew of conditions attached to earning such MBG. Also, MBG amounts completely ignore the costs of work, which when subtracted from these amounts, work up to less than state minimum wage standards for semi-skilled workers.
Similarly, Zomato has several gradations of target and incentives. In one location in Bangalore, ‘targets’ begin at Rs.250 (Rs.75 as incentives) going on to Rs.875 (325 as incentives), and the ‘last target’ (as workers refer to it) being Rs.1050 for which workers can earn Rs.400, in the rare occasion that they reach this target. It is this pattern of remuneration which is sold to workers as ‘earn as much as you want’, and is also marketed as aspects of ‘flexibility’ and ‘freedom’. Although platforms claim not to force any worker to work for a set number of hours or until they complete a certain number of orders, in practice, workers are coerced to do so as we explain below.

Platforms impose strict ‘log-in’ hours for workers, these hours being the primary condition for workers to be eligible to receive their incentives. Swiggy enforces a minimum of 10-hour log-in ‘shifts’ for its full-time workers and a 5 hour ‘shifts’ for its part-time workers (See Exhibit 1). Similarly, Zomato used to impose ‘lunch hour peaks’ (12 p.m. to 3 p.m.) and ‘dinner hour peaks’ (7 p.m. to 12 midnight) but of late has made it ‘mandatory’ for workers to remain logged in for 3 hours between 7 pm and 12 am if they are to be eligible to receive incentives. Workers expressed not being given the incentive despite reaching targets, even if they are ‘a minute’ short of their log-in times. In several instances, workers missed their incentives due to technical glitches such as being logged off by the app when they are in peri-urban areas, or in basements or elevators of buildings where there is no data coverage. It is for this reason workers seem glued to their phones, always holding it and refreshing their apps to check if they are logged in on it, constantly eyeing their targets.
Despite platforms claiming that workers are ‘free’ not to adhere to these hours, in reality, workers end up working many hours over their minimum ‘shift’ timings in order to reach the daily targets. A 30-year-old Swiggy worker in
Bangalore, the primary earner for his family of three, refused this platform claim and asked:

They give us around Rs.5 per kilometre. If I make a delivery riding 5 kms, I earn less than Rs.30 for that order. They say I can log in and log off whenever I want. But if I work for 3 hours and I am given 5 deliveries in that time, I will take home maybe 100 Rupees [after spending Rs.50 on fuel]. What all can I buy earning Rs. 100 a day? This is my only job. I have to work at least 12 hours to take home around Rs.500 -600 [after allowing Rs.150-Rs.200 on fuel]’

- Interviewed on 9th December, 2019

The expectation of earning incentives pushes workers to remain logged in for longer hours in order to reach their targets. As the legal team representative of Swiggy alluded to in a meeting held with the Labour minister on October 21st 2019, ‘..we give them [workers] incentives in order for them to log-in for longer time (sic)’.\(^4\) Therefore claims made by platforms that workers can ‘log in when they want and log off when they want’ ring empty in the face of reality. Workers, in the face of steadily declining per order rates and incentives, are working longer and longer to earn enough to subsist. In the next part of the paper, using actual earnings data and its analysis we show what real incomes look like after subtracting costs and taking into consideration the number of hours spent on work, an aspect which platforms remain mum about when they make claims of platform work being well-paid.

Apart from mandatory log-in ‘shifts’, a cursory look at the various earnings-related conditions show how platforms impose strict conditions not only on the number of hours worked but also on other parameters such as having to work on weekends (Friday, Saturday and Sunday) weekend work, number of orders to be delivered, cancellations and rating scores. The condition around

\(^4\)Meeting held by the Labour department, Karnataka in October 2019. Source: https://twitter.com/LabourGovt/status/1186223850540826624?s=20
minimum number of orders to be delivered/minimum earnings to be made is especially concerning, because orders are allocated algorithmically by the platform, workers having no control over how many orders they are allocated or when these orders are allocated. During fieldwork, it was common to see workers sitting idle without being allotted a single order, sometimes for three hours at a stretch. It was also extremely common to listen to workers discussing how orders would either stop or slow down when workers were close to reaching their ‘targets’. These were some of the strange workings of algorithms which workers had come to pay attention to over time and by talking to each other about their targets and earnings, a favourite talking point amongst workers as they sat waiting for orders.

*Exhibit 3: Reduced incentives in Swiggy since June 2020 in Bengaluru. Incentives are tied to earning thresholds which are not in workers control, and ratings that are allocated in transparently by platforms*
Swiggy and Zomato also impose conditions on ‘cancellations’, limiting severely the freedom of their ‘partners’ to deny work, a bare minimum that it must allow its ‘independent contractors’. Swiggy allows one cancellation per day and imposes a fine of Rs.40 for every order cancelled thereafter for workers in Bangalore. Zomato does not pay the day’s incentives if workers ‘deny’ more than one order a day, oftentimes these denials occurring due to the fault of the customer or the platform itself.

Exhibit 4: A text message sent by Zomato describing several conditions
Exhibit 5: A screenshot from the worker application that ties earnings to several conditions

For workers, incentives form a significant part of their daily earnings. Currently, incentives work up to a third of a workers’ daily earnings. This is an important source of income which workers rely on as a way to make up for the increasing costs of work which they entirely bear. Costs, as our quantitative analysis will explicate further, are borne entirely by the worker and consist of everyday working costs on fuel, data, and long-term costs towards loan instalments, repairs and depreciation. As shared with us, workers spend a ballpark figure of Rs.200 every day on fuel alone, with delivery distances seeing a steady increase in the last few months. Incentives then, become a means to off-set these growing costs of work. As a Zomato worker explained ‘Even an extra Rs.100 means 1.25 litres worth of fuel money with which I can complete 5 to 6 orders. Thus, while workers can log off and go home in theory, the ‘target and incentive’ model with their many conditionalities together with steadily deteriorating per-order rates and incentives ensure that workers are bound to a platform and remain logged-in for long hours.
Algorithmic Management

Piece-rate and incentives systems of pay along with their several non-negotiable conditions form the basis of how food-delivery work via platforms is organized. The piece-rate system of pay has a history that dates back to the putting-out system in merchant capitalism. However, the piece-rate systems used by these platforms go a step further as they rely on a layer of digital, real-time measurement systems. Advances in Global Positioning Systems (GPS) (Schmidt, 2017), increasingly affordable high-speed mobile internet, proliferation of smartphones and online marketplaces to download apps, makes such work possible but also provides a means for platform companies to track workers location and collect several other sets of data from workers’ phone. Such data powers algorithms that automate the management of work – allocation of orders, provision of information to workers, determining pay, resolve pay disputes, impose punitive action and fines all with little to no human intervention.

The main concern here is that ‘black-boxed’ management means that workers do not fully understand or are able to dispute decisions taken by the platform company and therefore have little control over the labour process (Cant, 2018). Workers on both Swiggy and Zomato complain of being unable to understand how the system works vis-à-vis calculating pay and the allocating orders. Workers complain of automated systems making it difficult to reach out to the platform for timely assistance and also complain of the platform arbitrarily blocking IDs with little to no explanation as described in the previous section.

A second concern with regards to management is that of surveillance. The need for selfies (which have on several occasions failed to recognize workers), the presence of an auditor – a plain clothed employee of the company who can fine workers for failing to wear uniforms/ use company bags amongst other infractions - are some examples of platforms monitoring their ‘partners’. If
workers fail these random checks, platforms impose heavy fines or even deactivate accounts of workers as punitive actions.

Third, as ‘independent contractors’, workers have little control over their work related and personal data. It is not clear if such data is shared/sold to third parties, if it is anonymized, no control over the type of data being shared. In fact, the Zomato worker application is not even listed on the Google PlayStore and therefore circumvents the need to adhere to Google’s privacy guidelines which typically acts as a layer of safeguard against apps with malicious intent.

‘Don’t like it, leave’: One-way communication and threats

While workers may enjoy the lack of face to face interaction with management when compared to older forms of work, the flipside is that workers often do not have any managerial figure to hold accountable when problems arise. Often reduced to chat windows or worse - phone numbers that do not exist, workers must wait until issues [such as a restaurant not having an ordered item] are resolved, often with no remuneration. At times, workers are penalised for no mistake of their own, without any avenue to undo such penalisation. A 48-year-old former UberEATS worker narrates an incident which resulted in his ID being blocked for no mistake of his.

‘I got an order and went to the location. The customer changed the location just as I got there and I called the customer-care to ask what to do. They told me to go to the new location, promising they would adjust the fare. I found nothing in this new location, so I left since the customer care said I could. Today my ID has been blocked and when I called customer care, they say I made an ‘incomplete order’ yesterday’.

- Conversation with worker on 16th January 2020

There are also several instances of workers being threatened and blocked from the platform for speaking out or participating in efforts to collectivize. A Zomato
A worker from Dharwad shares how he was targeted for speaking up to the platform:

‘A few of us are being targeted by the Zomato staff because we participated in protests. A few days ago, a delivery boy had a problem and some of us went to talk on his behalf so they have identified us. We hardly get orders now. They will block our IDs if we go for a meeting or participate in a protest. We don’t know what to do. If we are considered ‘workers’ we at least have some voice against this’

- Interviewed on January 24th, 2020

When Zomato workers protested against a decrease in their incentive structures in September 2019, numerous workers were suspended and their IDs terminated (Chatterjee, 2019). A Zomato official even admits to having ‘suspended’ IDs, many of which were not suspensions but terminations, overnight, rendering several workers in Bangalore without work and without any access to their data, erasing all proof of the worker even having worked for the platform. As ‘partners’, workers are denied the fundamental right to collectivize. Swiggy workers in three prominent localities in Bangalore shared being threatened by managers against protesting and were forced to sign a ‘sheet of paper’ which read that Swiggy could change incentives as and when it wished and workers could be terminated in case they were found protesting.

**Safety at work and long-term health impacts**

Along with costs, platforms also offload the risks associated with transportation to workers. The largest risk component in delivery work are accidents on the road. In 2018, some 1.5 lakh motorists lost their lives to road accidents in India and two-wheelers make up the highest segment at 31.4% (MORTH, 2019). The piece-rate incentive system incentivizes workers to finish orders as quickly as possible and this pressure to deliver could be one factor in worker
fatalities as one Swiggy worker shares his perspective on the death of his colleague, a 21-year-old worker who died in Dec 2019 in Bellandur:

‘Swiggy has dinner peak targets too. If we finish certain orders within the dinner hours, we get an incentive. Sometimes we are able to reach the target and sometimes we cannot. So, we feel like we should not waste any time and want to finish deliveries as soon as possible to try and finish the target. So, we do end up riding fast so that we save time. If we meet the target even one minute later, Swiggy will not give us incentives. Maybe this boy was also trying to reach the dinner time target’

- Conversation with workers on 26th January 2020

In fact, the number of accidents and traffic violations by workers in a hurry has drawn the attention of police officials in Bangalore\(^5\), Mumbai\(^6\) and Chennai\(^7\). While it is true that platforms offer accident insurance, workers are unaware of the details and do not know how to make claims. In the case of worker deaths, families of workers who are not aware of insurance coverage or the procedure to claim it have no access to compensation, as platforms require families to submit arduous paperwork to claim insurance. One worker who was unable to work due to an accident reveals that he was not compensated due to lack of bills for expenses incurred: ‘I met with an accident while doing a delivery and had to rest for 2 months. Zomato did not pay me anything towards income compensation and not even my expenses. I had to spend Rs.10,000 from my pocket. I did not have bills for all the expenses in the format they wanted and so they refused to reimburse.’

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\(^7\)Source: [https://www.dtnext.in/News/City/2019/06/05035545/1140956/Police-get-innovative-to-monitor-delivery-agents.vpf](https://www.dtnext.in/News/City/2019/06/05035545/1140956/Police-get-innovative-to-monitor-delivery-agents.vpf)
A second source of risk stems from platforms’ lack of customer verification and the prevalence of cash-on-delivery. Customers order for food with no intention of paying for it and pressure delivery workers to hand over the food. This phenomenon is referred to as fake orders and workers risk being beaten up by gangs and even stabbed when they refuse to part with the food.

‘We get so many fake orders. Usually they are in gangs and demand that we cancel the order, give them the food and leave without taking the order. If we call customer care, they tell us to wait until they check. What are we supposed to do? These people have chaaku, choori sometimes and recently a delivery-boy was stabbed over a fake order. There is a lot of risk in this job and Swiggy doesn’t care about our safety’

Discussion with workers on 26th August 2019

A third concern is the long-term health implications of overwork, riding 100 to 150 kms a day in zones with high pollution levels. Catering to demand of customers means that food delivery workers remain hungry as they go about ensuring customers receive their food on time during meal-times. Usually our participants skipped breakfast or drank a juice or cups of tea until they ate lunch, which was usually around 4 p.m., when orders started seeing a lull. Stomach problems, piles, back aches, muscle aches, a general feeling of fatigue, lack of sleep were some of the common health issues workers faced. Together with the adverse impacts on physical health, the target and incentive model were the cause of anxiety amongst all our participants. Workers referred to this work as one causing ‘tension’ as they were preoccupied by the worry of reaching targets or not. Workers often felt dejected and angry for ‘not reaching targets’, some of them wondering what they had done wrong or what they could do differently to get more orders the next day. Being at work on weekends, on most holidays and working on average for 12 or 13 hours also meant that
workers had very little social life outside of work and very importantly, lacked rest. The long-term impacts of such conditions of work on one's mental health is truly concerning and is something that platform accident insurance policies do not cover. These health impacts are a direct consequence of the remuneration patterns and the lack of regulations around incomes and working hours in platform work resulting from the classification of workers as ‘partners’.

‘Partners’: A means to Evade Labour Regulations?

The above revelations of the everyday experiences of workers having to adhere to strict conditions imposed by platforms and having all aspects of work closely controlled by them makes it pertinent to question the applicability of terms such as ‘partners’ and ‘independent contractors’. Workers are repeatedly referred to as ‘partners’ or ‘independent contractors’ in the ‘terms and conditions’ (written in highly technical English language and running into pages) which appear on the apps of workers which they are supposed to ‘agree’ to when they are ‘onboarded’. However, it is clear from the lived experiences of workers that the contract between platforms and workers are on extremely unequal terms with one party setting all the rules (and changing it as and one it wishes) and the other simply having to adhere to them, the alternative being to quit work. Although platforms emphasize the flexibility and freedom afforded to its ‘partners’, empirical evidence flies in the face of such claims, making it quite clear that platforms use such rhetoric in order to evade the costs and responsibilities of following labour regulations. It becomes clear that this ‘future of work’ is simply a means to further erode hard earned protections for labour and push workers to survive precariously in the absence of minimum wages, working hour limits, worker benefits, and the right to collectivize.

Taking into the account the extent of control that platforms exercise on workers and the fact that these workers perform functions intrinsic (and not
secondary) to the working of these businesses, it becomes imperative to question such misclassification of workers as ‘partners’ and ensure that workers are protected by labour laws which guarantee workers just and humane working conditions.

The implications of such misclassification are extremely disconcerting not only for workers engaged in app-based food delivery work, but also for the overall bargaining power of low-valued, easily replaceable urban labour force. For delivery workers, being classified as ‘partners’ means having no power to question platform whims and hold platforms accountable to ensuring income safeguards, occupational safety and health concerns of workers. Such labelling of workers as ‘partners’ or ‘independent contractors’ adds to our already large labour force working under informal conditions without any labour protections. Although platforms have ensured convenience for affluent urban consumers with disposable incomes to spend on such services, for workers, platform-led ‘innovation’ and ‘disruption’ has brought with it an intensification of precarity and weakening bargaining power.

**Is Platform Work Decent Work?**

Through the testimonies of workers, we have shown how the platform business model puts the worker in a vulnerable position by misclassifying workers as ‘partners’, allowing platforms to circumvent existing central and state labour laws relating to working hours, minimum wages, provision of ESI and PF as well as forcing the costs and risks of work onto workers. Using labels such as ‘freedom’ and ‘flexibility’, platforms promise a new kind of work - one without management oversight and full control over one’s work. However, as the above narratives by workers make clear, these promises of autonomy and freedom are far from the actual, everyday experiences of workers. In the second part of this paper, we ask if workers are at least well remunerated for the disproportionate amount of risks and costs they have to bear, together with having to endure
the insecurities inherent in being called a ‘partner’. To do this, we present findings based on primary research covering twenty platform workers in the food delivery sector, undertaken in the first fortnight of January. The research sought to get data from workers on trips, earnings and time spent with the platform through the period, based on actual platform data available on the respondent mobiles. The workers at that time were working with three platforms operating in Bengaluru. The following are the important findings:

**Gross Earnings Per Worker**

The study observed over 30 workers working with three different platforms. Their per day earnings were tabulated for a period of time that they could share the data for. The workers were asked for data on the following variables –

i. Platform the worker is associated with  
ii. Number of days worked (for which the worker is sharing data)  
iii. Number of trips that the worker has made during this period  
iv. Gross earnings as computed by the platform’s app

From the above variables the following variables were derived –

i. Average work hours per day (in INR)  
ii. Average hourly earnings assuming an 8-hour work day (in INR)  
iii. Average gross earnings per trip (in INR)

The days observed were from January, 2019.
Table 2: Gross earnings of workers as reported in January 2019

<table>
<thead>
<tr>
<th>Workers</th>
<th>Platform</th>
<th>Days worked</th>
<th>No of Trips</th>
<th>Gross earnings (INR)</th>
<th>Average Work Hours/Day (INR)</th>
<th>Average Hourly earnings (INR)</th>
<th>Average gross earnings/trip (INR)</th>
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<tbody>
<tr>
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<td>8</td>
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<td>136.56</td>
<td>75.34</td>
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</table>

Note: W14 and W33 are part time workers
Source: Data gathered and compiled by authors

Thirteen workers in the study (65%) had average hourly earnings (including incentive) less than Rs.65 per hour. The current Minimum Wage for semi-skilled workers (for shops and establishments) in Karnataka is Rs.65.80 per hour based on an 8-hour working day. A working hour rule of 9 hours includes an hour for lunch and tea breaks. The computation here is based on 8 hours per day as there are no designated breaks and workers are required to be on
call for all the time they are on the platform.

We should take into account however that fifteen workers (75%) worked beyond 8 hours per day average during the period studied. Workers in industry would have received overtime payment for working beyond nine hours, taking their average earnings to more than Rs.65 per hour.

The two workers with the maximum average hourly wage (W32 and W19) worked respectively 11.4 hours and 14.1 hours average per day. This underscores the reality of the sector that high earning is possible only if workers earn incentive; and incentive earning is structured so that workers have to remain with the platform for longer hours to become eligible.

It is significant, however, that many workers earned on average less than the Minimum Wage, even while remaining on the platform well beyond 8 hours on average per day. Thus, for instance, W23 and W24 worked on average 12.2 hours each day during the survey period, but only got to do 108 trips each, as compared to W32 who was on the platform for only 11.4 hours but did 145 trips. The average earning per trip for W32 was double of the earnings per trip for W23 and W24. All three workers were with the same platform through the study period.

We see from the data in Table 2 a wide variation in the average payment per trip, which does not correlate to either the hours spent or number of trips made by the workers. There is no clear correlation of time spent on the platform each day with the trips received and average earnings. The correlation coefficient is weakest between time spent on the platform and average earnings (0.19). It is stronger between time spent on the platform and trips made (0.49) and between trips made and average earnings (0.42). A platform worker would not be assured of a reasonable wage by merely staying boarded on the platform for longer hours. The earnings would be dependent on many factors on which
the worker has no control – how many trips are assigned to the worker; the incentive structure determined by the algorithm of the platform; the ability to complete tasks fast, which in turn is dependent on age of the worker, experience at work, distance to be travelled, correctness of customer details provided by the platform app, among others.

The earnings of the worker are significantly impacted by incentive earnings. The ability to earn incentives is evidently not guaranteed by long work hours alone. Further, there is a system of penalties, where the penalty for non-compliance is often substantially more than the payment rate for any trip. Workers said they were not able to make any sense of the rationale behind the earnings they received for each trip. There was total absence of transparency, making it impossible for workers to understand or challenge the payment calculations.

**Costs borne by the worker**

The gross earnings do not account for the fact that workers on the platform have to invest in their own two-wheelers, and bear all costs with respect to fuel, maintenance, overheads, and capital costs. These have to be factored in to understand the real earnings of platform workers. Table 3 summarises the variable costs and fixed costs incurred by the platform worker. The estimates are based on a reasonable average of actual costs incurred by the workers in the sample.

Fuel cost is calculated assuming 10 kms per trip (5 kms each way). The average distance of 10 kms per trip also has to include the number of times the worker has to take detours during rush hours to make deliveries on time, or the extra distance travelled when the address given is imprecise or faulty. The
estimate of Rs.15 on average per trip for each delivery made is a reasonable estimate based on the feedback from workers.

**Table 3: Details of cost borne by a worker**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost per day (INR)</th>
<th>Cost per trip (INR)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Variable</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel</td>
<td></td>
<td>15.00</td>
</tr>
<tr>
<td><strong>Fixed</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overhead costs</td>
<td>80.00</td>
<td></td>
</tr>
<tr>
<td>Capital cost</td>
<td>158.40</td>
<td></td>
</tr>
<tr>
<td>Total fixed cost</td>
<td>238.40</td>
<td></td>
</tr>
</tbody>
</table>

*Source: computation by authors*

The annual fixed costs have been pro-rated to daily cost based on estimated 303 working days for the year\(^8\). The overhead cost estimate includes repair and maintenance of vehicle, rental for telephone data plan and other incidental costs for parking, traffic fines etc. The capital cost for repayment of investment and depreciation is based on a total investment of Rs.80000, including vehicle cost (Rs.65000), plus other capital costs for riding gear, phone, phone stand, power bank, etc. Depreciation on vehicles is likely to be high given the distances ridden, often through peak traffic at speed to be able to maximise trips and make deliveries on time. The estimate of 60% per annum for depreciation plus repayment of total investment is therefore very reasonable. The fixed cost element of Rs.240 per day becomes a pressure on the worker to remain on the platform for longer hours and sufficient number of days each month to ensure sufficient earnings to at least pay back loans and meet overhead costs.

There is another cost not accounted for here. This is the cost on the health of the worker, given the long hours of work and stress of being outdoors, driving

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\(^8\)The number of working days per year is calculated accounting for 52 weekly offs and 10 National and festival holidays as per the Karnataka Industrial Establishments (National and Festival Holidays) Act, 1963. -
through traffic in varied weather conditions, facing up to the pollution and bad roads of the city. The absence of social security benefits to platform workers increases the long-term risks to their health.

Net earnings per worker in food delivery sector in Bengaluru

Table 4 details the actual net earnings for each worker, after taking into account the variable and fixed costs. When we take into account the cost borne by each worker, the net earnings reduce substantially. The column on Average net hourly earnings shows only three workers (15% of sample) had net earnings more than the statutory Minimum Wage for semi-skilled work in Karnataka of Rs.65.80 per hour. While the present rate of payment per trip with incentives offered by platforms might appear attractive to the worker, when costs are accounted for, and variations in potential earnings across the year are factored in, the actual earnings over time can be quite meagre.

Table 4: Calculation of net earnings of workers in food delivery based on platforms, number of trips and total payment received

<table>
<thead>
<tr>
<th>Workers</th>
<th>Platform</th>
<th>Days worked</th>
<th>No of Trips</th>
<th>Total Payment (INR)</th>
<th>Total variable cost (INR)</th>
<th>Total fixed cost (INR)</th>
<th>Net earnings (INR)</th>
<th>Average hourly net earnings (INR)</th>
<th>Net earnings per trip (INR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>W14</td>
<td>A</td>
<td>8</td>
<td>166</td>
<td>6387.00</td>
<td>2490.00</td>
<td>1920.00</td>
<td>4385.87</td>
<td>54.07</td>
<td>26.42</td>
</tr>
<tr>
<td>W20</td>
<td>A</td>
<td>5</td>
<td>102</td>
<td>3855.00</td>
<td>1530.00</td>
<td>1200.00</td>
<td>2609.40</td>
<td>41.65</td>
<td>25.58</td>
</tr>
<tr>
<td>W21</td>
<td>A</td>
<td>11</td>
<td>255</td>
<td>9255.00</td>
<td>3825.00</td>
<td>2640.00</td>
<td>6558.29</td>
<td>49.64</td>
<td>25.72</td>
</tr>
<tr>
<td>W25</td>
<td>A</td>
<td>3</td>
<td>53</td>
<td>1830.00</td>
<td>795.00</td>
<td>720.00</td>
<td>1040.30</td>
<td>25.40</td>
<td>19.63</td>
</tr>
<tr>
<td>W26</td>
<td>A</td>
<td>8</td>
<td>131</td>
<td>4865.00</td>
<td>1965.00</td>
<td>1920.00</td>
<td>2869.90</td>
<td>33.37</td>
<td>21.91</td>
</tr>
<tr>
<td>W27</td>
<td>A</td>
<td>8</td>
<td>88</td>
<td>4007.00</td>
<td>1320.00</td>
<td>1920.00</td>
<td>1974.50</td>
<td>27.64</td>
<td>22.44</td>
</tr>
<tr>
<td>W31</td>
<td>A</td>
<td>8</td>
<td>117</td>
<td>4123.00</td>
<td>1755.00</td>
<td>1920.00</td>
<td>2140.35</td>
<td>22.94</td>
<td>18.29</td>
</tr>
<tr>
<td>W33</td>
<td>A</td>
<td>5</td>
<td>44</td>
<td>1550.00</td>
<td>660.00</td>
<td>1200.00</td>
<td>217.87</td>
<td>7.44</td>
<td>4.95</td>
</tr>
<tr>
<td>W15</td>
<td>B</td>
<td>6</td>
<td>82</td>
<td>3040.00</td>
<td>1230.00</td>
<td>1440.00</td>
<td>1526.80</td>
<td>33.48</td>
<td>18.62</td>
</tr>
<tr>
<td>W16</td>
<td>B</td>
<td>8</td>
<td>69</td>
<td>2629.00</td>
<td>1035.00</td>
<td>1920.00</td>
<td>635.80</td>
<td>11.21</td>
<td>9.21</td>
</tr>
<tr>
<td>W29</td>
<td>B</td>
<td>8</td>
<td>94</td>
<td>3832.00</td>
<td>1410.00</td>
<td>1920.00</td>
<td>1871.06</td>
<td>22.53</td>
<td>19.90</td>
</tr>
<tr>
<td>W22</td>
<td>C</td>
<td>6</td>
<td>73</td>
<td>2708.00</td>
<td>1095.00</td>
<td>1440.00</td>
<td>1182.01</td>
<td>27.44</td>
<td>16.19</td>
</tr>
<tr>
<td>W17</td>
<td>C</td>
<td>7</td>
<td>107</td>
<td>5018.20</td>
<td>1605.00</td>
<td>1680.00</td>
<td>3266.73</td>
<td>46.85</td>
<td>30.53</td>
</tr>
<tr>
<td>W18</td>
<td>C</td>
<td>8</td>
<td>96</td>
<td>5774.00</td>
<td>1440.00</td>
<td>1920.00</td>
<td>3781.70</td>
<td>50.34</td>
<td>39.39</td>
</tr>
</tbody>
</table>
Further, while factory workers covered by the Minimum Wage in Karnataka are also covered by social security benefits, the platform workers have no access to social security coverage. The monetary value of social security benefits is around 15 percent of the Minimum Wage.

**Findings from net earnings of workers**

There is high variation in net earnings and average hourly net earnings of workers. The variation is due to a combination of platform-related and work shift related factors. For instance, some platforms incentivise deliveries in certain locations of the city and on the workers’ side we see that some workers chose their working hours that are off-peak demand hours.

From the analysed data, the findings are discussed in the following section.

First, the several conditionalities tied to worker earnings and the unilateral manner in which platforms decide all aspects of work for workers shows that workers are falsely labelled as ‘partners’. Our qualitative findings show the extent of control which workers are subject to, and exposes the manner in which the technological mediation of work serves to limit worker freedoms and mechanisms for grievance redressal. Labelling workers as partners is a clever strategy used by platforms to transfer the costs and risks of work onto workers, while also being able to shirk off responsibility arising from having to adhere to labour regulations. The requirement of servicing of the cost of assets becomes a
Damocles sword for the worker, and adds to their vulnerability. This forces the worker to stay with the employment, even when returns are low, even at the peril of extreme self-exploitation in order to cover fixed costs.

Second, it is evident that most workers remain with a single platform at any given time – they do not simultaneously try to service multiple platforms. During the study period, each of the twenty workers covered by the study remained with one platform for the duration. The structure of payments is such that improved average earnings comes only with access to incentive, and incentive is accessible only when workers adhere to several conditions, including one on minimum number of hours in a day; this precludes the possibility for workers to simultaneously be on multiple platforms. Therefore, while workers might switch platforms, at any given day they are likely to be with only one platform. It is therefore possible to formulate a unique platform-employee relationship at any given time.

Third, most workers complained that they could not understand the earnings system. The lack of transparency made the contractual arrangement very one-sided, with workers unable to raise complaints on payments, even where they felt the payment did not match the effort. This unequal contractual arrangement is accentuated by the levy of huge penalties on workers for non-compliance after accepting a delivery order; while at the same time there is no obligation on the platform to compensate workers for wrong or incorrect information about the client or delivery details.

Fourth, the actual net earnings after accounting for costs is very low. In the study, only three workers were able to achieve on average net hourly earnings equal to the statutory Minimum Wage. Further, the linking of earnings to incentives and wide variation in earnings across workers makes it difficult for workers to plan their expenditure based on a guaranteed wage. The insecurity of earnings would make it difficult for workers to plan the work-day to balance
out between when to be boarded on the platform and when to leave for the day and catch up with other personal tasks. The incentive scheme holds up the carrot of big money which remains an illusion for most workers. This might suggest an argument for mandating a base earning per trip that allows workers to at least get an hourly compensation equivalent to the Minimum Wage. The study suggests on average a worker completes 3 trips every two hours, or 12 trips per eight hours worked.

Fifth, the lack of access to social security can in the long run be detrimental to the interest of workers, and consequently the industry. The occupation carries risks of road accidents, fatigue from long hours of work, and exposure to pollution and climate variations. Workers can pose a danger, not only to themselves but also to other motorists on the road if they continue to be forced to work incredibly long hours to repay fixed costs and make enough after repayment of costs for a living. A system of social security where the platform also contributes can benefit both workers and the platform by adding stability to the contractual arrangement.

The study therefore would suggest the regulation of wage in the platform sector, through the notification of a Base Wage per trip, to be adjusted each year for inflation. It would further suggest given the uncertainty of earnings even when the worker stays with the platform for long hours that a fall-back wage is notified for workers staying on the platform for at least 8 hours on a day; the fall-back wage could be equal to the Base Wage for the standard number of trips for the platform over 6 hours.

Estimating a Base Rate for platform workers to earn the Minimum Wage for 8 hours work

The Base Rate is calculated based on the falling assumptions:
i. The basis for the calculation is the Minimum Wage in Karnataka for a semi-skilled worker in the general category.

ii. The working day is taken as 8 hours based on the statutory norm of 48 hours work per week over 6 days, with a weekly off day.

iii. The standard number of trips is assumed as 1.5 trips per hour, or 12 trips per day. This is also the average number of trips for all workers in the study.

iv. Cost data for both variable and fixed costs is assumed based on worker inputs.

The Base Rate per trip is therefore calculated as Rs.85.32 for worker (see Table 5) to earn at least the Minimum Wage, while working 8 hours in the day.

### Table 5: Estimated base payment per trip to workers by platforms

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (INR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly Minimum Wage (8 hours/day)</td>
<td>65.81</td>
</tr>
<tr>
<td>Employer social security contribution @ 15% (EPF and ESI)</td>
<td>9.87</td>
</tr>
<tr>
<td>Total employer payment at Minimum Wage</td>
<td>75.68</td>
</tr>
<tr>
<td>Earnings per trip for worker to get Minimum Wage equivalent (1.5 trips per hour)</td>
<td>50.46</td>
</tr>
<tr>
<td>Fuel cost per trip</td>
<td>15.00</td>
</tr>
<tr>
<td>Fixed cost per trip (12 trips per day)</td>
<td>19.87</td>
</tr>
<tr>
<td>Base payment per trip for worker to earn Minimum Wage</td>
<td><strong>85.32</strong></td>
</tr>
</tbody>
</table>

In the study none of the workers received a gross wage per trip equal to or greater than the estimated Base Rate (see Table 4). Only two workers W19 and W32 received gross earnings per trip close to the estimated Base Rate.
As the data demonstrates, there is none of the workers in the sample set earn the base wage. There are several reasons for this as observed from qualitative data. The platforms have conditionalized payment of incentives (see Exhibits 1, 2 & 3). When a worker gets closer to achieving the incentives the app tends to slow down in routing the next delivery task to the worker who is close to fulfilling the target required for award of incentive. Many workers have reported unusually long waiting period for tasks when they are one or two tasks short of achieving the target.

A whole range of manipulative practices are seen in allocation of tasks and management of workers across areas within a city, across shifts in a day and according to surge in demands that can happen in a city. These practices are unstated which a worker figures out over time. However, until that time the uncertainty in earnings, confusion and stressful work pattern tends to have already built up.

The Base Rate does not still assure the worker of the Minimum Wage on any day, as that depends on the worker being able to make at least twelve trips. Therefore, the wage notification for the platform worker should also include a Fall-back Wage, equal to the Base Rate for twelve trips. The Fall-back wage accordingly at the current Minimum Wage in Karnataka would be Rs.1023.88 per day. This can be the assured wage for workers who stay with the platform for 8 hours or more on any day, and earn less than the Fall-back Wage. They could be compensated by the difference between their actual earnings for the day and the Fall-back Wage.

**Platform Work in the Covid–19 Pandemic**

The Covid-19 pandemic substantially impacted the gig economy, and in particular, employment relations within the sector. Discussions by AIDYO with its membership in the sector found the employers in food delivery made several
changes to the employment conditions, including reducing payment per delivery and increasing incentive norms. Workers reported considerably lower earnings despite increased hours of work. The employers took advantage of widespread urban unemployment to force workers to accept lower earning rates for their work. There are reports of similar adverse changes in the app-based payment terms by food delivery platforms in other metros. Both Chennai and Hyderabad had industrial action by protesting workers engaged with Swiggy protesting up to 50% drop in earnings\(^9\). Clearly there is need for regulation to ensure that employers in the sector are not allowed to use market conditions and vulnerability of workers to drive down earnings below some minimum standards. There is need to prescribe a minimum standard for earnings, at least in conformity with the statutory Minimum Wage in the state. This should become part of Government regulation for the sector. This study describes one possible method for deriving such a minimum earning standard.

The situation of the gig workers during the pandemic gives lie to the myth perpetuated by industry that these workers are independent contractors. The dependent and unequal relationship is patent in the unilateral behaviour of the employers to drive down working conditions. India needs to follow other countries in recognising gig employees as workers and therefore bring the sector within the ambit of labour regulation.

The pandemic raises several immediate concerns with respect to platform work. First, adequate earnings and reasonable standards for hours of work per day become more important during the present circumstances, to ensure health of delivery workers, and consequently safety of both customers and employees with the food providers. Second, given the reports of adverse working conditions from large sections of workers, it becomes imperative for the government to undertake surveys covering wider geography and more

employment sectors within the gig economy. This is necessary not only from the point of labour rights, but also public health concerns.
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