

What is Gig Economy

The gig economy is the informal labour market connected and facilitated by digital platforms. Generally, gig work is short term, temporary, freelance job where people work on event or project basis.

Contrast to the traditional work where employee or workers generally have longer term with a single employer. In gig economy, platforms facilitate connections between workers with a wide range of tasks or jobs such as driving for rideshare companies, delivering food, performing freelance work like graphic design and content writing.

In the context of Nepal, examples of the gig economy include ride-sharing services like Indrive and Pathao, online marketplace sellers such as Daraz and Kirana, and the food delivery company like Foodmandu.

Rise of gig economy

The gig economy is rapidly growing worldwide, driven by the Fourth Industrial Revolution (4IR) and significant technological advancements. In this era, an increasing portion of the economy operates online, with people using digital platforms for short-term jobs, selling goods, and offering services remotely across various sectors such as IT services, ride-hailing, and deliveries.

The gig economy saw a surge due to the COVID-19 pandemic. Lockdowns and the shift to remote work led people to explore gig jobs as a viable alternative when traditional jobs were impacted.

Over the past decade, the number of websites and apps connecting people with short-term jobs has increased fivefold.

16.4% of American workforce made up of gig workers where 30% young people within the age group of 18-29 have earned from gig economy.

According to a study conducted by ActionAid "Platforms of Precarity", in South Asia, about four million people work as delivery drivers or do jobs related to online shopping and transportation. This number could grow to 12 million by the year 2025.



In Africa,

the amount of money made from online businesses is expected to increase from

online businesses is expected to increase

2050
year

\$115
billion

\$712
billion

Rise of gig economy

Gig economy in the context of Nepal

Over the past half-decade, Nepal's gig economy has witnessed remarkable growth, with an impressive surge of approximately 67%, as evidenced by data from the Online Labour Index. This expansion of the gig economy is exemplified by homegrown platforms like Pathao and Indrive, offering unique services.



Pathao, for instance, boasts a workforce of **150,000** bike riders.

The gig economy in Nepal is estimated to bring around

\$100 billion per year

which is nearly equivalent to the total merchandise exports of the country.

Nepal's informal economy exerts significant influence over the nation's economic landscape, with over 70% of the economically active population participating in it. However, during the fiscal year 2020-21, a staggering 16.9 million working-age individuals lacked any form of social protection. Given this context, it becomes essential to identify gig workers and implement monitoring and regulatory measures within the sector. This approach is vital not only for stimulating the national economy but also for safeguarding the rights and interests of gigworkers. In Nepal, only 22% of women are employed outside the home and platforms offer simple employment opportunities that can empower them.

Informalization of labour in gig

The gig economy offers flexibility, the ability to manage multiple jobs, choose jobs based on personal interests, and earn additional income. However, the 4IR era and neoliberal and globalisation driven economy has played a role in the widespread phenomenon of informalisation that represent a significant departure from traditional employment structures, blurring the boundaries between formal and informal sectors impacting a significant portion of the labour force. This trend introduces uncertainties and poses challenges concerning labour rights and social protections for workers like lack of job security, lack of regulation and labour monitoring, unsafe workspace, unrecognised and non-respectful job, low & unfair wage, unequal bargaining power, insecure employment, inequal fair pushing towards vulnerability and exposure of exploitation & violence.

Issues of Gig

- ▶ Lack of Comprehensive Data
- ▶ Gig workers lack social protection and insurance, leaving them vulnerable to risks and affecting their financial security.
- ▶ Wealth disparities and inequities between platform owners and workers, heightened by higher commission rates
- ▶ Tax avoidance by company
- ▶ The legal status of Platform based app
- ▶ Gender inequality in the digital Sphere
- ▶ Security concerns impacting women's working hours.
- ▶ Underpaid and exploitative nature of Domestic care
- ▶ Illiteracy and lack of proper platform operation knowledge in drivers and service providers.

Our Demands

- ▶ Organize Gig workers holding accountable to Trade unions and worker associations in addressing challenges and concern of gig worker.
- ▶ We demand comprehensive social protection for all gig economy. workers, regardless of job types or income categories.
- ▶ We Call for mandatory registration of every gig worker in the Social Security Fund.
- ▶ Demand for formulation of strategies to address the digital divide, considering gender disparities and other intersecting barriers.
- ▶ Stop Work exploitation and injustice against gig workers.
- ▶ Address the underlying obstacles posed by unpaid care and domestic work to women's access to education, skills development, and decent work in gig economy.
- ▶ Take action to minimize the gender disparity in gig economy.

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WHY GIG ECONOMY IS MATTER OF CONCERN TO WORKERS

