

## PRESS RELEASE

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### **Food Delivery Platforms Driving Job Opportunities and Formalisation of Employment in Tier 2 and Tier 3 Cities, reveals NCAER survey**

**New Delhi (Monday, August 28, 2023):** The National Council of Applied Economic Research (NCAER), India's leading economic policy think tank, today released its comprehensive study titled '**Socio-economic Impact Assessment of Food Delivery Platform Workers**'. The study was launched by **Dr Poonam Gupta**, the Director General of NCAER; **Dr Sudipto Mundle**, Chairman, Centre for Development Studies and Senior Adviser at NCAER; **Dr Gurucharan Manna**, Senior Adviser at NCAER; and **Mr R.C.M Reddy**, Managing Director and CEO of Schoolnet India Limited.

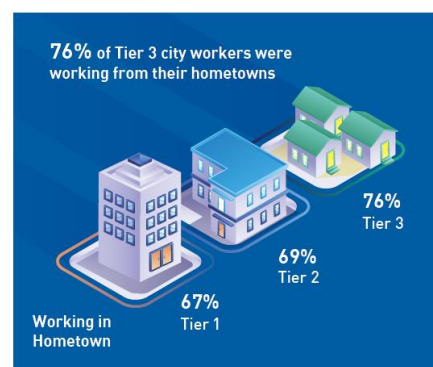
NCAER developed a 3-E framework—entry, experience, and exit—to assess 924 food delivery platform workers from one company across 28 cities during April-May 2022. These workers are from various city tiers, activity status (currently working on the platform and those who have left the platform), tenure levels (how long they have been on the platform), and engagement types (working on long-shift of 11-hours or shorter-shifts of 5 hours, weekends, special days, and so on).

This report, the first of a three-part research programme being undertaken by NCAER, extensively explores the socio-economic implications with regard to workers employed in the food delivery platform industry, while shedding light on their employment patterns, incomes, and work environments. Parts two and three of the research programme, to be released subsequently, will evaluate the socio-economic impact of food delivery platforms on restaurants, and their systemic impact on India's economy and labour markets. The report also flags the policy implications for the sector.

While lauding the path-breaking and pioneering report on platform workers, **Dr Bornali Bhandari, Professor, NCAER**, noted, *"In an era characterised by significant economic change, the socio-economic impact assessment of food delivery platforms is vital for policy formulation and informed decision-making. NCAER's meticulously researched report contributes valuable insights to the ongoing discourse surrounding platform workers, ensuring that their experiences and challenges are comprehensively captured and addressed, and equitable and effective policies are devised for ensuring better working environments and conditions for them. As this sector evolves globally, this study will enrich both the existing literature and policy framework in India."*

The report's key findings shed light on several crucial aspects of the lives of food delivery platform workers. One of the prominent findings of the report is that food delivery platforms have helped create jobs for young workers (aged below 35 years), enabling them to use their time productively. Further, these platforms have led to job creation in Tier 2 and Tier 3 cities, with a majority of the platform workers currently employed in their hometowns. Platform work thus moves the needle on the formalisation of employment by offering accident insurance and task-based written contracts to all workers.

The analysis of income dynamics in the study also highlights the diverse experiences of the people in the



sector. As many as 65 per cent of the workers who choose to work on long shifts reported earning either higher or the same income as they were earning in their previous jobs. However, real incomes have fallen over time due to inflation and rising fuel costs, among other factors. Among workers opting for shorter work shifts, incomes from platform work account for 45 per cent of their total incomes. The report also highlights the vital role of food delivery platforms in skill development, as a considerable percentage of workers have access to training opportunities, which enables them to enhance their employability beyond the platform sector.

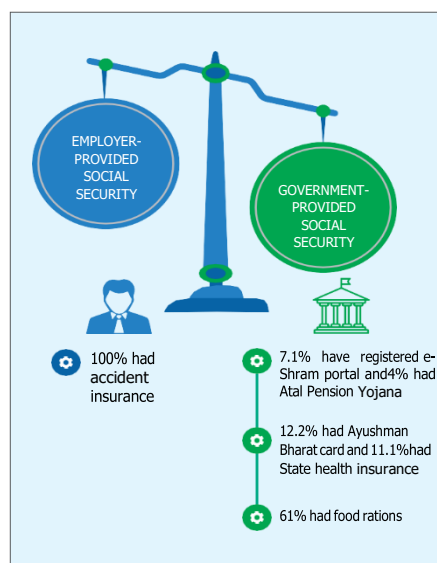
The report also underscores the critical role played by platforms during unprecedented events such as the pandemic, when such work also functioned as a shock absorber for workers to offset periods of unemployment.

The policy recommendations in the report underline the need for a multi-faceted approach to address the challenges faced by food delivery platform workers. The study recommends striking a balance between regulating platform work and preserving its inherent flexibility. While emphasising the importance of safeguarding workers' rights, the study stresses the need to preserve the accessibility and convenience that platform work offers.

Another crucial policy suggestion is to enhance the social security support for platform workers, especially in view of the hybrid nature of their employment.

The report also advocates the formal recognition of the skills acquired by platform workers through partnership with the National Skills Development Corporation (NSDC). This move would significantly enhance the employability and career progression prospects of platform workers. Last, but not least, the report recommends providing better and more streamlined access to healthcare facilities and information for the platform workers to ensure their well-being in the long term.

The survey has been sponsored (funded) by Prosus.



## **About NCAER**

NCAER, the National Council of Applied Economic Research, is India's oldest and largest independent economic think tank, set up in 1956 to inform policy choices for both the public and private sectors. Over the past 65 years, NCAER has served the nation well with its rich offering of applied policy research, unique data sets, evaluations, and policy inputs to Central and State governments, corporate India, the media, and the citizenry. It is one of a few independent think tanks worldwide that combines rigorous economic analysis and policy outreach with deep data collection capabilities, particularly for large-scale household surveys. NCAER is led by its Director General, Dr Poonam Gupta, and it is governed by an independent Governing Body currently chaired by Mr Nandan M. Nilekani.

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