



Research Report

**The financial lives of platform
workers: A diaries study in
Bengaluru, India**

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List of abbreviations

BPL- Below Poverty Line

COV - Coefficient of Variation

CMIE – Centre for Monitoring Indian Economy

CPHS – Consumer Pyramids Household Survey

FD – Fixed Deposit

FGD – Focus Group Discussions

IFAT - Indian Federation of App-based Transport Workers

INR – Indian Rupee

KII – Key Informant Interview

MFI- Micro Finance Institution

NBFC- Non-Banking Finance Company

NITI Aayog – National Institute for Transforming India (Indian government’s apex think-tank)

ONDC- Open Network for Digital Commerce

RD- Recurring Deposit

SHG- Self Help Group

UC – Urban Company

USD – United States Dollar

Executive summary

Mobile app-based platforms have become ubiquitous in urban India in recent years. The Indian government's apex public policy think-tank, NITI Aayog, attributes this to the combined effect of rapid urbanization and increased adoption of smartphones and associated technology by people. India currently has about 7.7 million platform workers, which is expected to rise to 24 million by 2030 (NITI Aayog, 2022). Even as this number is increasing, thereby creating employment opportunities for millions of young working adults, there are growing protests by platform workers, both in India and globally, demanding better working conditions, higher, stable, and transparent earnings, and basic social security.

Given this context, it is imperative to understand and document the nature of platform work and how it shapes the financial and non-financial lives of platform workers. However, studying platform workers is challenging due to the limited availability of datasets documenting their demographic, social, and economic profiles. The datasets that do exist often club platform workers under the larger umbrella of unorganized or informal workers. This could be misleading as the nature of work and the lives of platform workers look very different from other informal workers, say a casual labourer or a street vendor. Therefore, researchers from varied disciplines are increasingly studying platform workers to build evidence of how the platform economy shapes their lives. However, Dvara Research's review of this expanding field of literature on gig workers (Chatterjee et al, 2021) shows a gap with very few studies documenting and analyzing their financial lives.

The study intends to fill this important gap in literature by exploring the financial lives of platform workers and finding answers to the following questions: do platform workers face volatility in their income and expenses, i.e., how much do they earn and spend and how much do their earnings and expenditures vary on a day-to-day basis; how long do they work to earn as much as they would like to; whether and where they save and borrow; what strategies do they adopt to manage their money to meet their day-to-day expenses, raise lump-sums, deal with and recover from shocks; what social protection benefits do they have access to; what their financial goals are; and what barriers exist, if at all, in their pursuit of those goals. Their motivation to join platform work, and the future they see for themselves and their families, are also explored.

A mixed methodology approach was adopted for primary data collection in Bengaluru, a metropolitan city in Karnataka, India, in 2022. The data collection exercise was executed in two stages: qualitative data collection in the form of Focus Group Discussions (FGDs) and personal interviews, followed by quantitative data collection through baseline surveys and financial diaries.

It is important to first understand the nature of platform economy to make sense of the experiences and financial lives of platform workers. Platforms leverage technology to serve as intermediaries in a multi-sided market that includes customers demanding specific products and services, vendors supplying those products and services, and platform workers supplying their labour to deliver these products and services from the vendors to the customers. Platforms depend on positive network externalities emerging from this multi-sided market to stay economically viable and eventually become profitable. This requires them to onboard a critical mass of customers, vendors, and platform workers. As platforms surpass this critical mass, workers, vendors, and customers increasingly become dependent on these platforms. With no alternative but to depend on platforms for access to the market, they become price acceptors, thereby creating an atmosphere for platforms to grow to become monopsonies in the labour market and monopolies in the commodity market respectively (ILO, 2022) and gain the bargaining

power to set the terms and conditions for these market interactions. For the platform workers, platforms emerging as monopsonies in the labour market can have negative effects such as reduced earnings and increased costs and risks (Dube et al, 2020).

When platforms entered the market in India, they onboarded a critical mass of platform workers by promising erstwhile blue-collar, informal workers an escape from their exploitative and underpaying workplaces and an opportunity to earn more, while enjoying autonomy and flexibility over their work. They also onboarded a critical mass of customers and vendors by providing attractive discounts, offers, and pricing. They also acquired non-platform companies and smaller platforms operating in the same segment to add to this pool of workers, vendors, and customers. As a result, a few big platforms were able to surpass this critical mass of customers, vendors, and platform workers, and grow to become monopsonies in the labour market and monopolies in the commodity market. For the platform workers, platforms emerging as monopsonies has led to reduced earnings and retracted benefits, leaving them to bear most of the costs and risks associated with platform work. Workers now find it challenging to sustain such costs and maintain their household finances and have to resort to taking loans more frequently than they can set aside savings.

Platforms, by virtue of being monopsonist, also have the power to design the payment structure in a way that compels workers to stay available and seek tasks for long hours. Platforms achieve this by designing the conditional payments called incentives in a way that makes it a substantial component of workers' potential earnings and then requires workers to fulfil a set of eligibility criteria – including the number of hours logged and number of tasks completed – to qualify to earn incentives. Often left with no choice but to maximize their earnings, platform workers set out to fulfil these criteria and earn incentives. However, despite their best efforts to fulfil the eligibility requirements, they do not always manage to earn incentives. This is because of volatility in the number of tasks assigned to them, caused by an ever-expanding pool of platform workers and fluctuating customer demand. This forces them to constantly stay hyper-vigilant and compete for jobs with fellow workers, adding further to their physical and mental stress, and exacerbating their day-to-day income volatility.

With no other alternative except platform work that promises them higher and more stable earnings, they regularly switch between platforms but continue to work in the platform economy for the time being, remaining underemployed and earning less than what they require and what they can. But many consider platform work as unsustainable in the long run and have set goals for their future outside the platform economy. Having experienced some degree of flexibility and autonomy in platform work notwithstanding the many terms and conditions, these have become non-negotiable features in their future career plans, and hence, they are not willing to get back to their earlier, non-platform, blue-collar jobs, especially when they are unsure if those jobs will pay as much. Therefore, most of them have set self-employment as the next step in their career path but they find it difficult to work actively towards reaching those goals, given the day-to-day challenges of their work and money management.

Despite the many challenges faced in and complaints about platform work, workers continue – and aspiring workers flock – to work in the platform economy because there is a lack of alternative employment avenues currently in the Indian labour market guaranteeing them comparable earnings for their level of education and skills. On average, participants earned an average of INR 35,075 on average, which after accounting for their work-related expenses of INR 18,470, amounted to a net income of INR 16,604. Their families earned an overall monthly income of INR 33,580 and incurred a monthly expenditure of INR 21,300 on average, placing their households between the 60th and 80th percentile of India's urban households. Therefore, they are among the better earning urban Indian households on average. However, platform workers and their households are heterogeneous, and even in the study's

small sample, households were distributed across the income distribution of urban Indian households, with 32 percent of the participant households falling in the poorest two quintiles and 41 percent of the participants falling in the topmost quintile.

This study has brought forth the many intricacies in the financial lives of platform workers along with a rich detailing of their experience dealing with financial and psychological vulnerability. Considering that this study was primarily based in Bengaluru among a small sample of largely male workers, further research could expand the sample size, particularly by speaking to more women working across a range of platforms, to document the specific opportunities and challenges they face while undertaking platform work. A deeper and longitudinal investigation will be useful to assess the long-term psychological impact of working as a platform worker. A study of newly launched, publicly facilitated platforms will be beneficial to move towards articulating features of an ‘ideal platform’ that can help workers while remaining commercially viable. It is also important to check whether these new platforms have been able to affect the monopsonist and monopolistic status enjoyed by platforms, thereby also solving or addressing some of the issues of platform workers. Platforms and governments alike are being responsive to some of the demands of platform workers by announcing a slew of insurance schemes and enacting social protection legislations. A study on these measures and their efficacies will be useful to understand their effect on worker well-being and propose ways in which they can be improved. Insights from the study on the money management strategies adopted and financial behaviour exhibited by platform workers can inform practitioners in their design of financial products and processes that better suit the context and needs of platform workers. Finally, the study has documented the state of social security of platform workers in terms of access to insurance and other long-term savings products. Further research is required to understand the challenges platform workers face in accessing and using social security schemes provided by the government.

Introduction

Mobile app-based platforms have become ubiquitous in urban India in recent years. The Indian government's apex public policy think-tank, NITI Aayog, attributes this to the combined effect of rapid urbanization and increased adoption of smartphones and associated technology by people. India currently has about 7.7 million platform workers, which is expected to rise to 24 million by 2030 (NITI Aayog, 2022). Even as gig economy is expanding, thereby creating employment opportunities for millions of young working adults, there are growing protests by gig workers, both in India and globally, about their working conditions, reduced earnings, and lack of basic social security.^{1,2,3,4}

Given this context, it is imperative to understand and document the nature of platform work and how it shapes their lives. However, studying platform workers is challenging due to the limited availability of datasets documenting their demographic, social, and economic profile. The datasets that do exist often club platform workers under the larger umbrella of unorganized or informal workers. This could be misleading as the nature of work and the lives of platform workers look very different from other informal workers, say that of a casual labourer or a street vendor. Therefore, researchers from varied disciplines are increasingly studying platform workers to build evidence of how the platform economy shapes their lives.

Dvara Research's review of these studies indicates that platform workers are typically low-to-semi-skilled workers from socio-economically vulnerable backgrounds (Chatterjee, D'cruze, Kumar, Ponnathpur, & Singh, 2021). But they are also not a homogeneous group, which means that their level of engagement with platforms, and their expectations from and experience of platform work can vary significantly depending on their socio-economic background, gender, nature of platform(s) they work in, the composition and lifecycle stage of their household, whether they are migrant or local, etc., even if platforms themselves are agnostic to these characteristics (Karma Life, Lead at Krea University, 2022). But one aspect of platform workers' lives that seems to be understudied is their finances, and with most pressing concerns of platform workers centred around this, a study documenting the financial lives of platform workers is the need of the hour to build evidence around the financial portfolios and cashflow positions of platform workers and their families.

The study intends to fill this important gap in literature on the financial lives of platform workers, by finding answers to the following questions: do platform workers face volatility in their income and expenses, i.e., how much do they earn and spend and how much do their earnings and expenditures vary on a day-to-day basis; how long do they work to earn as much as they would like to; whether and where they save and borrow; what strategies do they adopt to manage their money to meet their day-to-day expenses, raise lumpsums, deal with and recover from shocks; what social protection benefits do they have access to; what their financial goals are; and what barriers exist, if at all, in their pursuit of those

¹ Bengaluru Swiggy Workers Halt Strike While Company Goes Over Complaints; MediaNama; July 25, 2022; Access the full article here: <https://www.medianama.com/2022/07/223-bengaluru-swiggy-workers-halt-strike-company-considers-complaints/>

² Swiggy Delivery Executives in Bengaluru Could Go on A Bigger Strike If Issues Not Addressed; INC 42; July 26, 2022; Access the full article here: <https://inc42.com/buzz/swiggy-delivery-executives-in-bengaluru-could-go-on-a-bigger-strike-if-issues-not-addressed/>

³ Perils of the Gig Economy; The India Forum; October 25, 2022; Access the full article here: <https://www.theindiaforum.in/forum/perils-gig-economy>

⁴ Gig workers flag concerns: Lack of incentives, insurance, insufficient backing from employers; The Indian Express; August 14, 2022; Access the full article here: <https://indianexpress.com/article/cities/delhi/gig-workers-concerns-incentives-insufficient-backing-from-employers-8088534/>

goals. Their motivation to join platform work, and the future they see for themselves and their families, are also explored.

The report is divided into three chapters. The first chapter outlines the design of the study, describes the participants in the study sample, and defines the framework and methodology used for data collection and analysis. The second chapter provides a detailed account of all the insights emerging from the study. These insights are classified into different themes, each theme covering a distinct aspect of the financial lives of platform workers and their families. The third and final chapter concludes by discussing the implications of these findings on platform workers and sets the agenda for further research that can enrich literature on the financial lives of platform workers and help move towards finding solutions that can improve their financial well-being.

Chapter 1: Research methodology and sample characteristics

A mixed methodology approach was adopted for the primary data collection in Bengaluru, a metropolitan city and state capital of Karnataka, India, in 2022. It was executed in two stages: qualitative data collection in the form of Focus Group Discussions (FGDs) and personal interviews, followed by quantitative data collection through baseline surveys and financial diaries.

1.1 Qualitative approach

Focus Group Discussions (FGDs) and semi-structured one-on-one interviews were carried out between July 2022 and October 2022 among 34 participants (see **Table 2**) from 6 digital platforms commonly used in the study location across ride-hailing, professional service, food and grocery delivery sectors (see **Appendix 6**). Additionally, one key informant interview (KII) was also conducted with a trade union representative from the Indian Federation of App-based Transport Workers (IFAT) in Bengaluru.

Diversity in the choice of platforms was intentionally incorporated to bring out the commonalities and differences in workers' financial lives across platforms and platform segments. Demographic characteristics such as gender, migration status, part-time and full-time work, and years of experience in platform work were also considered as parameters for recruitment to incorporate diversity in perspectives and experience of platform workers.

The participants were approached through trusted sources such as office-bearers of platform worker unions, and once contact was established, a snowball approach was employed to expand the sample range.⁵ At the time of the interviews, workers from one of the platforms were protesting low wages and payment policies.⁶ Therefore, neutral venues such as restaurants and community halls had to be selected for the interviews to ensure the safety and confidentiality of participants.⁷ The time and location of the interviews were decided in a way that least impacted participants' earnings, and interview schedules were kept flexible to incorporate the precariousness of the workers' schedule (which the researchers experienced firsthand during the data collection when workers were unable to keep up with their interview appointments due to unforeseen work). In some instances, especially for women participants, the research team switched to one-on-one interviews to accommodate the participants' comfort and availability. In general, women participants were the most difficult to reach not only because of their low overall representation in platform economy, but also because of factors such as restrictions on their mobility and reluctance of their spouses to have them share sensitive information with the researchers.

⁵ The researchers approached Fintech companies and Trade union leaders to establish the first contact with potential participants. They were considered a trusted source given their day-to-day engagement with workers. The researchers intentionally avoided contacting platforms directly to avoid any potential conflict of interest.

⁶ Swiggy delivery workers protest in Bengaluru, demanding a fixed salary of Rs.26,000/month; The Deccan Herald; August 20, 2022. Access the full article here: <https://www.deccanherald.com/city/top-bengaluru-stories/swiggy-delivery-workers-protest-in-bengaluru-demand-fixed-salary-of-rs-26000/month-1137677.html>

⁷ Instances of platforms punishing workers (by blocking work ids on the app) who participated in the protests had created an environment of fear among the platform workers.

1.2 Quantitative approach

22 of the 34 participants from the qualitative phase of data collection consented to participate in the quantitative phase of data collection, i.e., a baseline survey followed by 2-week long financial diaries. They were divided into two cohorts and each cohort first answered a baseline survey followed by financial diaries every day for the next 14 days. The baseline survey and diaries were both conducted through telephonic interviews. The baseline survey documented the demographic details, work profile, and financial information of the participants and their households. The diaries captured their daily cashflows for a period of 14 days. The quantitative component of the study was carried out in November 2022.

Each participant was called during a pre-decided time of convenience to collect the previous day’s financial information, which ranged from their income and expenses during platform work, income and expenses outside platform work (including household data), loans and savings, and time use information. An additional open-ended question helped in capturing the qualitative insights from each day’s conversation. The quantitative component of data collection was carried out in November 2022. A snapshot of the demographic characteristics of the 22 participants is provided in **Table 3**.

1.3 Sample composition

The participants were categorized by the platform segment they were engaged in at the time of the interviews, rather than by platform, because a) platform workers frequently shifted between multiple platforms operating in the same segment, and b) platform workers in the same segment were comparable. However, even though both cab drivers and auto-rickshaw drivers work with the same platforms, they were classified into two separate segments because their earnings, expenses, and experiences differed substantially. A summary of the FGDs and interviews carried out with each platform segment is provided in **Table 1**. The demographic characteristics of platform workers who participated in the FGDs and interviews are listed in **Table 2** and those of platform workers who participated in the baseline survey and financial diaries are provided in **Table 3**.

Table 1: FGD and interview sample distribution across platforms

Platform segment	FGDs	Personal Interview	Associated platforms
Auto-rickshaw drivers	1	1	Ola, Uber, Rapido
Cab drivers	1	-	Ola, Uber
Food and grocery delivery workers	3	1	Swiggy, Zomato, Dunzo, Big Basket
Professional service workers	1	-	Urban Company

Table 2: Demographic features of FGD/interview participants

Characteristics	Number of participants
All participants	34
Gender	
Male	29
Female	5
Age Group	
20 to 30 years	19
31 to 40 years	10
41 to 50 years	5
Marital Status	
Married	27
Unmarried	7

Table 3: Demographic features of diaries participants

Characteristics	Number of participants
All participants	22
Gender	
Male	20
Female	2
Platform Segment	
Cab drivers	2
Auto-rickshaw drivers	5
Food and grocery delivery workers	12
Professional service workers	3
Age Group	
20 to 30 years	11
31 to 40 years	8
41 years and above	3
Education Level	
No formal education	1
Primary to senior secondary schooling	16
Graduate and above	5
Marital Status	
Married	15
Unmarried	7
Migration Status	
Local	8
Intra-state migrants	11
Inter-state migrants	3

The study participants were working across various platforms during the interviews. Among the 34 participants in the qualitative phase of the study, 5 participants were women (3 in FGDs and 2 individual

interviews) and the rest were men. Most participants came from socio-economically vulnerable backgrounds. Their education level varied, with some having had no formal education and others being graduates, but most had discontinued education after completing secondary schooling (see **Table 3**). This is representative of the larger platform workforce in India where “platform workers’ education levels can range from secondary school to graduation” (Niti Aayog, 2022). Given their educational qualification, before joining platform work, many were engaged as part-time workers in garment factories, and a few had blue-collared jobs in informal and service sectors (see **Appendix 3.5**).

Most platform-based jobs are concentrated in the metropolitan cities such as Bengaluru, Delhi and Mumbai, attracting many migrants from rural areas, seeking better paying job opportunities (BetterPlace, 2019). In the study sample, professional service workers were inter-state migrants who had shifted to Bengaluru from northern parts of India, such as Uttar Pradesh, Bihar, and West Bengal. Among the rest of the participants, most of them (11 out of 19) had migrated from other parts of Karnataka. Most participants were in the age group of 20-40 (see **Table 2**) and had been working in the platform economy for more than 5-7 years, some since the inception of the platform economy in India. Even the younger participants had been working in the platforms ever since they turned 19 or 20 years old and had several years of platform experience. This age profile of participants is representative of the larger gig workforce in India, with multiple studies (ASSOCHAM & Primus Partners, 2021; Ramachandran & Raman, 2021) estimating a majority of platform workforce in India to be aged between 18 to 45 years. The wide age-range among the participants made it possible to gain a better understanding of how platform workers across different age groups viewed and perceived platform work and what they hoped to achieve out of it. Many of them were married (see **Table 2**) and had dependents to take care of, and except a few, most were sole or primary earners, which essentially meant that their households were completely dependent on their income from the platform. Migrant workers lived frugally and sent remittances back home frequently. Women participants were all married and juggled between child-care responsibilities and platform work as secondary earners of their households. The proportion of women in the mobility-intensive platform economy is low in India (Ghosh et.al. 2020; Kasliwal, 2019), and that is reflected in the sample as well. Gender focused studies on platform workers (Asia Foundation, 2020) have found that women constitute less than 6 percent in the delivery and transport sectors, while also highlighting the challenges faced in recruiting women for the study. Furthermore, platforms where women work in larger numbers, such as the beauty sector, are unorganized, and workers are fragmented without any congregation points, making it very difficult to reach them.

1.4 Data analysis and framework

The qualitative data was analyzed to document and build narratives around participants’ perceptions of and expectations from their work. The FGDs and interviews were transcribed, translated into English, and later analyzed using NVIVO software across prominent themes of the study, including income and expenses (both from platform work and other avenues), savings and borrowings, financial goals, work experience (including previous work experience), time use patterns, and perceptions of the platform economy.

The quantitative data was analyzed to support the narratives emerging from the qualitative phase and build data-backed evidence on the financial portfolios and the financial behaviour of platform workers and their families. Descriptive statistical analysis was conducted using the baseline survey to understand the financial and livelihood contexts of participants and the financial diaries to gather insights on their

day-to-day financial cashflows; volatility in their income, expenditure and time-use; savings and borrowing behaviour; and money management strategies.

The study draws from the money management framework first introduced by Ignacio Mas (2015) to identify the behavioural patterns in the money management strategies used by participants and their households and understand the rationale behind them.⁸ The framework gives vocabulary to the day-to-day money management strategies used by people with unstable income and unpredictable expenses, unique from those belonging to salaried and economically better-off households. It dissects the nuances of everyday decision-making and coping strategies of people from low-income segments.

Mas (2015) identifies broadly three concerns of low-income households when it comes to managing their money - a) "scrambling" for liquidity as and when required, b) "mopping up" the surplus liquidity by putting it for a good use and, c) "hardening money" by setting goals to avoid any temptations. Based on these three needs, six money management practices are defined, that are commonly observed among low-income households:

- **Income shaping** – Income is shaped by closing the gap between income and expenses and therefore matching their recurrent income to regular expenses. This is done through diversifying income, changing predictability of cashflows, or even adjusting the expenses. The goal is not only to maximize the income, but also making sure that money appears when there is a need.
- **Liquidity farming** – The instability of income coupled with unpredictable expenses most often creates a constant need for liquidity. This coping mechanism is a way of nurturing and cultivating relationships with family, friends, neighbours or even in business as a source of liquidity in the future, whenever needs arise.
- **Spending routines** – When the household has a surplus income of a regular nature, they utilize this excess liquidity by routinizing spending in the form of investing in regular savings or shifting children from public to private schools that require regular payment of school fees.
- **Spending triage** – Similar to spending routines, triage is another coping mechanism to utilize the excess liquidity on urgent needs. Here the decision-making process on spending itself is routinized. Poor households always have a mental shopping cart – a triage – sorted by urgency of needs. When there is surplus liquidity, instead of giving in to temptations, they use this triage for making their spending decisions, spending on their most immediate needs first, and on others, later.
- **Animating money** – Liquid money, given all its possibilities, is hard to keep unspent. To reduce its fungibility, people create mental ideas/accounts of money and how they think about it. The money is given characteristics, story, quality or timeline. For instance, putting money in different jars with different purposes, safekeeping it, or changing it into physical assets.
- **Concentrating goals** – Households have a loose idea of how to spend their savings. Spending goals are either aimed towards recurrent expenses (school fees, rent) or urgent items on the mental shopping list or a much looser aspirational goals which are often fuzzy in nature. Fuzziness of the goals help them not get fixated to one goal, given the precarity of income.

⁸ This framework was later expanded in a series of papers by Ignacio Mas and Gayatri Murthy (2017), which based its categorization on financial diaries data sets (such as Collins. et al. 2009) from Africa, Bangladesh and India.

Since the literature has extensively documented platform workers suffering from high level of income volatility, applying this categorical framework to the cashflows of workers helps us make sense of the different money management practices that they use to manage their financial lives.

Chapter 2: Findings from the study

In this chapter, the insights emerging from the FGDs, one-on-one interviews, baseline surveys, and financial diaries are discussed in detail. The insights are classified into four broad themes: evolving perceptions about platform work among platform workers, volatilities in cashflows experienced by platform workers and their households, saving and borrowing behaviour of platform workers and their households, and time use patterns of platform workers.

2.1 Evolving perceptions about platform work among platform workers

It is important to understand the nature of platform economy and how platforms have grown to make sense of the experiences of platform workers

Platforms leverage technology to serve as intermediaries in a multi-sided market that includes customers demanding specific products and services, vendors supplying those products and services, and platform workers supplying their labour to deliver these products and services from the vendors to the customers. Platforms depend on positive network externalities emerging from this multi-sided market to stay economically viable and eventually become profitable. This requires them to onboard a critical mass of customers, vendors, and platform workers. As platforms surpass this critical mass, workers, vendors, and customers increasingly become dependent on these platforms. With no alternative but to depend on platforms for access to the market, they become price acceptors, thereby creating an atmosphere for platforms to grow to become monopsonies⁹ in the labour market (platform workers) and monopolies¹⁰ in the commodity market respectively (ILO, 2022) and gain the bargaining power to set the terms and conditions for these market interactions. For the platform workers, platforms emerging as monopsonies in the labour market can have negative effects such as reduced earnings and increased costs and risks (Dube et al, 2020).

When platforms entered the market in India, they onboarded a critical mass of platform workers by promising them opportunities to earn more, while enjoying autonomy and flexibility over their work. They also onboarded a critical mass of customers and vendors by providing attractive discounts, offers, and pricing. They also acquired non-platform companies and smaller platforms operating in the same segment to add to this pool of workers, vendors, and customers.^{11,12} As a result, a few big platforms

⁹ Monopsony is an economic concept that refers to a market structure in which there is a single buyer or employer for a particular good, service, or resource. This buyer has significant market power, which allows them to exert control over the price or wage they are willing to pay. This contrasts with a competitive market where many buyers or employers interact as price takers, meaning they must accept the prevailing market price. A monopsonist faces a downward-sloping supply curve and thus will hire fewer workers at a lower wage than would a competitive industry (Krugman & Wells, 2015)

¹⁰ Monopoly is an economic concept that describes a market structure in which there is a single seller or producer for a particular good or service. This seller has substantial control over the market and is the sole provider, giving them the ability to influence prices and output levels (Krugman & Wells, 2015)

¹¹ How Ola and Uber are making other taxi companies irrelevant in India; Business Today; August 30, 2015; Access the full article here: <https://www.businesstoday.in/magazine/cover-story/story/india-taxi-market-war-heats-up-ola-cabs-uber-strategy-leaders-52989-2015-08-12>

¹² Unfair competition? How Uber and Ola are killing livelihoods of Mumbai's auto and taxi drivers; Scroll.in; May 09, 2016; access the full article here: <https://scroll.in/article/807342/unfair-competition-how-uber-and-ola-are-killing-livelihoods-of-mumbais-auto-and-taxi-drivers>

were able to surpass this critical mass of customers, vendors, and platform workers, and grow to become monopsonies in the labour market and monopolies in the commodity market.

When they entered the market, platforms promised platform workers an escape from their exploitative workplaces and a chance to be their own bosses while earning more

Many participants had worked elsewhere before joining platform work, as blue-collar workers in banks, factories, as drivers with travel agencies, etc. (see **Appendix 3.5**). Most participants who were previously employed in the informal sector were working in precarious conditions, had little or no social security, earned low wages, and were deeply dissatisfied with their jobs.

A person working in a garment store will be held accountable if they are even a few minutes late or if there is a low pace in the movement of the merchandise. Emotional and sexual harassment from the bosses is also very common (FGD, Ola/Uber, Auto driver, 2022).

Therefore, when platforms entered the Indian economy, the ‘selective formalization’ of employment they provided, with a mix of formal (uniforms, identity cards, insurance, bonuses, etc.) and informal (no worker contract, liabilities, fixed work hours, leaves, etc.) employment features, was an attractive offer for India’s blue-collar workforce to escape their exploitative workplaces, earn more, and “become their own bosses” (Chatterjee et al., 2021). The latter is a phrase they have latched on to, even as they explicitly expressed disappointment that platforms have stopped short of living up to their initial promises.

As platforms have grown to become monopsonist in nature, they have gradually withdrawn most benefits initially extended to workers, while shifting more costs and risks on their shoulders

Veterans among the participants narrated a long list of benefits that platforms offered them in those early days – free mobile phones, subsequent recharges, new equipment, safety gear, loyalty bonuses, etc. – to attract them towards platform work.

It was not always this bad. In the beginning, they used to provide a lot of benefits for us while joining – new mobile phone, bonus payment after every year, more amount per each task, higher incentives, and so on. We were very happy. They looked after us well and made sure all the drivers joined them. Some even sold their land in villages and came to join platform work, listening to their friends’ positive experiences. Similarly, even to the customers, platforms offered attractive fares initially and made them get used to hailing cabs and autos on the platform. Now, customers have stopped coming out of their homes and hailing autos and cabs. They are used to sitting inside, booking rides, and coming out only after the cab or auto has arrived at their doorstep. Platforms now know that both drivers and customers are fully dependent on them, so they control everything: charging customers more, paying us less, everything (FGD, Uber, Cab driver, 2022).

But as platforms have grown to become monopsonist, decisively shifting the bargaining power in the labour market towards platforms, participants said platforms have increasingly shifted costs, risks, and responsibilities on workers’ shoulders. Participants narrated how platforms used to be supportive and listen to their grievances before while they directly receive penalties on incomplete/pending orders without allowing them a hearing to explain. Most participants complained of dysfunctional and/or biased grievance redressal mechanisms, where platforms did not hear their version of events and/or heavily favoured the customers.

Back then, if we met with an accident, we would send a photo and matter would be immediately resolved. Now, no matter what, we must deliver the order. If we fail to do so, they impose a penalty immediately (FGD, Swiggy/Zomato, 2022).

Platform workers complain their earnings have reduced, and not increased, over time

Participants also pointed out how platform work was unlike conventional employment, where earnings typically increase with years of experience. Without any defined increments or growth trajectory, a youngster who had just started working in the platform economy was earning about the same as a veteran who had been working for over a decade. Moreover, most participants complained that their real wages had reduced over time. Although the short duration of financial diaries was a limitation in empirically confirming this phenomenon through the study, studies such as Dube et al (2020) have found that wages of workers can reduce by up to 20 percent when platforms they are working for are monopsonist in nature.

This essentially means that as platform workers age and their domestic responsibilities increase, they are not assured of their earnings increasing, let alone proportionally. In fact, having often been at the receiving end of unilateral changes in payment rules and structures by their monopsonist platforms and other market shocks and fluctuations, platform workers live under constant uncertainty about further reductions in their earnings. This has been the subject of most protests by platform workers across India.¹³ For the platforms, an excess supply of labour acts as a cushion, as they always have a large pool of available workers who are willing to replace the disillusioned workers, and for lower wages. India's high urban unemployment rate in recent years has further reduced alternate employment opportunities for those in the labour force.¹⁴ All these are favourable conditions for platforms to sustain as monopsonies and this is why they can afford to respond to most worker protests by penalizing protesting workers by suspending them from the platform.¹⁵ During the recruitment of participants, many platform workers from a food delivery platform – whose workers had just organized protests – were refusing to participate in the study for fear of raising alarms in the middle of an ongoing crackdown by the platform on “troublesome” workers.

Platform workers are unhappy with their job but are staying on for the time being for lack of an alternative

With little to no alternative employment opportunities in sight, most participants felt platform work was still their best bet to earn a livelihood for the time being. However, they believed platform work was unsustainable for their well-being in the long run and were at various stages of planning an exit path from this work (see **Appendix 3.16**). Most had planned to open their own small businesses and become self-employed, while others planned to retire to their hometowns once their kids grow up (see **Appendix 3.17**).

¹³ BlinkIt protests: For gig workers, there is no income security – and little legal recourse; The Indian Express; April 20, 2023; Access the full article here: <https://indianexpress.com/article/opinion/columns/blinkit-protests-for-gig-workers-there-is-no-income-security-8567205/>

¹⁴ Despite India's economic growth, few jobs and meagre pay for urban youth; Manoj Kumar; Reuters; January 23, 2023; Access the full article here: <https://www.reuters.com/world/india/despite-indias-economic-growth-few-jobs-meagre-pay-urban-youth-2023-01-20/>

¹⁵ How Swiggy threatened to “suspend” protesting Delhi workers after second pay cut in seven months; The Caravan; August 27, 2020; Access the full article here: <https://caravanmagazine.in/news/swiggy-pay-cut-delhi-worker-delivery-protests-aigwu>

We must make some extra money and save if we want to switch to a new job, so we are working here for now. If one wants to grow in life, this occupation will not make it happen. It will only help us survive and manage some of our commitments for the time being (FGD, Swiggy/Zomato, 2022).

No, we cannot continue this profession forever. We won't have much energy in the future to continue this job. We are planning to build a home and have a shop within its premises, so that we can settle down and progress in our life (Interview, Ola/Uber, Woman Auto driver, 2022).

Platform workers may be disgruntled with their platform experience but place a high value on autonomy and flexibility that platform work provides them

Throughout the FGDs, while participants had complaints about several aspects of platform work, from reduced earnings to lack of benefits, they also acknowledged the positive aspects of platform work such as flexibility and autonomy that were hitherto absent in their previous employment. Therefore, most participants preferred some or the other form of self-employment to be the next step in their career path, (see **Appendix 3.17**), even though self-employment suffers from the same risks and lack of social security that characterizes platform work.

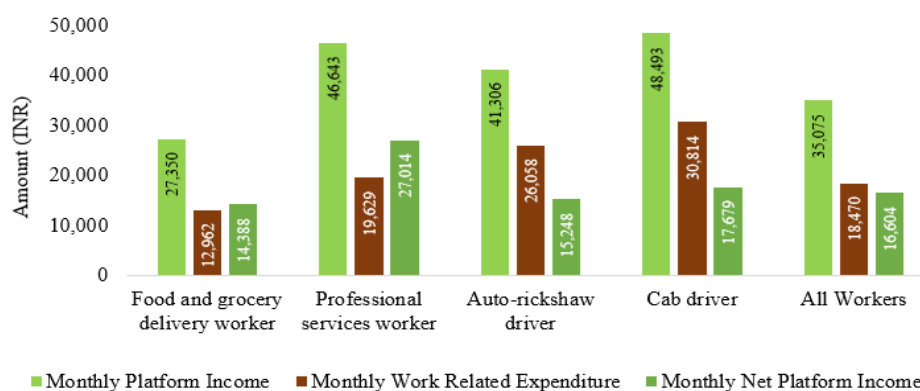
2.2 Cashflows of platform workers and their households

2.2.1 Platform related cashflows

Platform workers’ high absolute earnings from platforms are brought down by the considerable work-related expenditure that they must incur regularly

Participants earned a monthly income of INR 35,075 on average. However, they incurred considerable work-related expenditure regularly on refuelling their vehicles, eating food, repair and maintenance of their vehicles and equipment, etc. (see **Appendix 3.9** for a detailed break-up of their work-related expenditure). This brought down their net income from platforms to INR 16,604 on average.

Figure 1: Monthly platform earnings and work-related expenses by platform segment¹⁶



¹⁶ The monthly platform income and work-related expenditure were calculated by extrapolating the platform income and work-related expenditure recorded over the 14 days of the diaries to a month. Platform income refers

Platform workers face severe volatility in their daily earnings and expenses

Participants reported considerable volatility in their daily income and expenses (see **Figure 2**). **Figure 3** shows the co-efficient of variation (COV)¹⁷ of earnings and expenses for participants from different platform segments. During the diaries, participants experienced a 57 per cent variation around their average earnings, and 79 per cent variation around their average work expenses.

Figure 2: Average day-wise platform income and work-expenses during the diaries

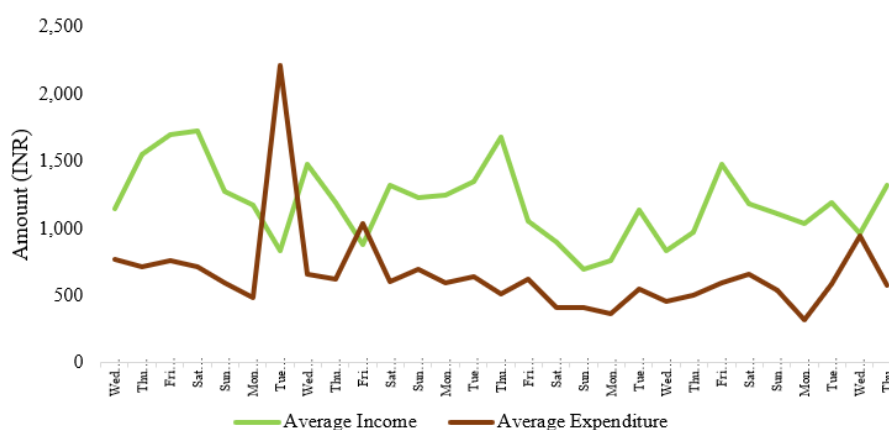
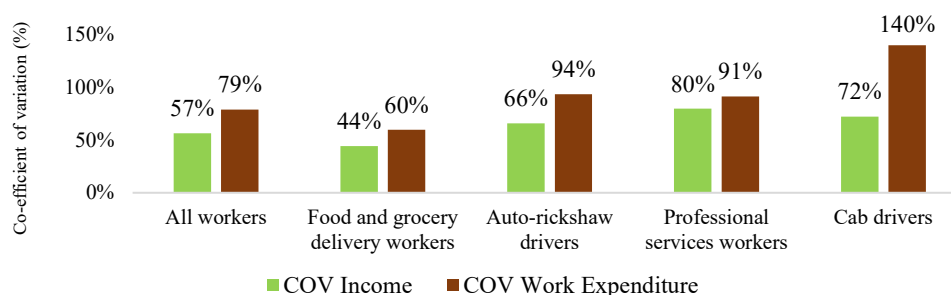


Figure 3: Volatility in daily platform earnings and work-related expenses by platform segment



Volatility in earnings of platform workers persists even after accounting for differential work hours

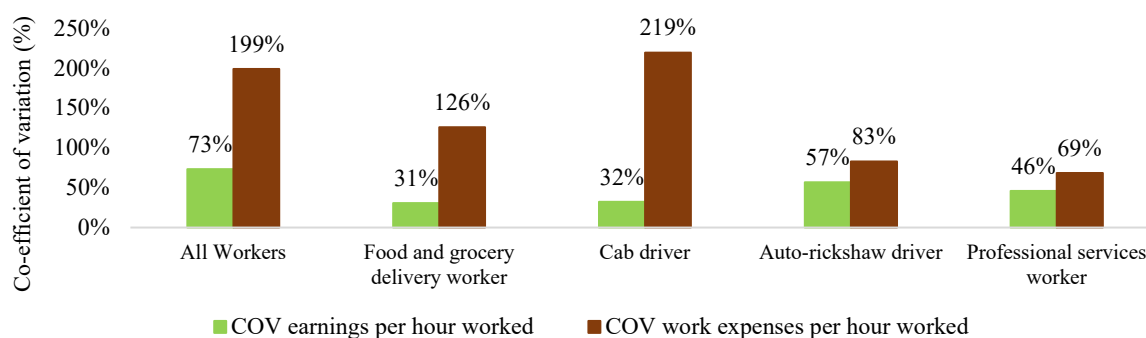
Since platform workers have the flexibility to work for different durations each day, differences in the number of hours worked itself can be one of the reasons for the observed volatility in earnings and expenses. To neutralize the effect of differential hours worked on the observed volatility in earnings and expenses, earnings and expenses per hour worked were calculated, and yet the volatility in earnings and expenses persisted. In fact, **Figure 4** shows that the co-efficient of variation of earnings and

to the income earned by the participants through platform work and excludes income earned by them through all other sources. Work-related expenditure includes all the expenditure incurred by participants related to work and during their workday such as on fuel, food, vehicle repair, etc. Net income is their residual income from platforms after subtracting their work-related expenses.

¹⁷ The coefficient of variation (COV) is a statistical measure that represents the relative variability of a data set compared to its mean. It is calculated as the ratio of the standard deviation to the mean, expressed as a percentage. A low coefficient of variation indicates that the data points are closely clustered around the mean, suggesting less variability. On the other hand, a high coefficient of variation suggests greater dispersion and higher relative variability.

expenses per hour worked were even higher, at 73 per cent and 199 per cent respectively. Even if participants worked for the same duration on different days, their earnings and expenditures varied significantly. With no visibility over variation in customer demand, worker availability, and algorithmic assignment of tasks, participants spent a lot of time waiting for tasks, resulting in under-utilization of their capacity, and often felt frustrated.

Figure 4: Volatility in earnings per hour worked and expenses per hour worked



The weekly earnings of platform workers are less volatile than their daily earnings

While the high day-to-day volatility faced by participants across platform segments is concerning, measuring weekly volatility is also important as participants attempted to overcome daily volatility by adjusting their time-use to stabilize their earnings over a longer period. During the FGDs, many participants mentioned setting weekly and monthly earning goals based on their financial commitments, working longer till they reach their goal and shorter after they reach it. **Figure 5** shows that while volatility persisted, the coefficient of variation of weekly earnings was considerably lower than that of daily earnings, as seen in **Figures 3** and **4**. **Figure 6** shows that the variation in weekly earnings and expenses of participants was substantially lower than the daily variation observed in **Figure 1**.

However, there is a limitation to this weekly volatility measure. The diaries capture earnings only across two weeks and it is a very short window to conclude whether or not weekly volatility is a concern. In fact, when participants were asked during the baseline survey if their earnings were likely to be same or different if they worked for equal hours across two weeks, 18 out of 22 participants felt their earnings were likely to be somewhat or very different (see **Table 4**).

Figure 5: Weekly income volatility by platform segment

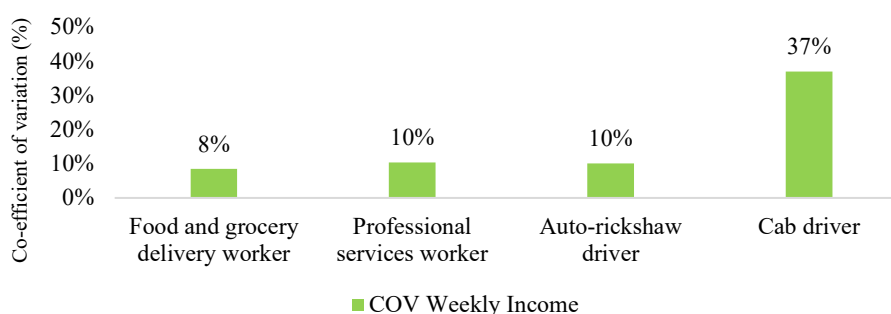


Figure 6: Average weekly platform income and work-expenses during the diaries¹⁸

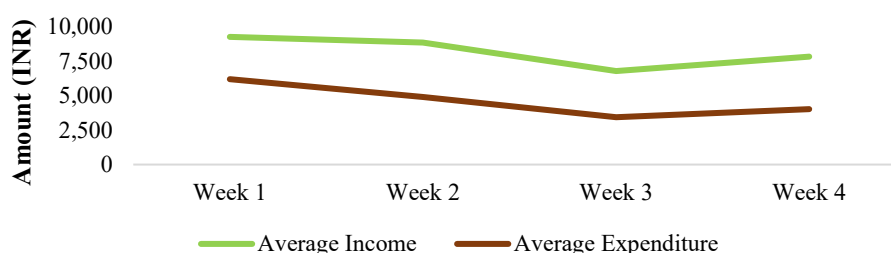


Table 4: Perception of weekly volatility among participants

Earnings for two weeks where same time and effort has been spent on the platform	Number of participants
Almost same	0
Somewhat same	4
Somewhat different	13
Very different	5

2.2.2 The role of incentives

Platforms offer incentives to ensure platform workers remain available and actively seek work for long hours

Most platforms offer workers incentives as a conditional payment on top of payments per task. But unlike standard incentive structures, where incentives are simple and straightforward and defined typically based on a single criterion, the monopsonist nature of the platforms allows them to design their incentive structure in a more sophisticated manner that compels workers to remain logged in and seek work for long hours. This is achieved via two steps:

First, the base rate (earnings per task) is set low¹⁹ so that merely completing their tasks does not provide workers sufficient earnings to sustain their households. The incentive component is set to form a substantial part of participants' potential earnings so that only those workers who earn incentives on top of their base rate can earn well and meet their financial needs. **Table 5** shows that incentives constituted 34 per cent of total earnings on occasions when participants earned incentives. Participants would have earned 18 per cent lower, and participants working with food and grocery delivery platforms especially would have earned 39 per cent lower, without incentives (see **Appendix 4.17**).²⁰

¹⁸ Weekly earnings and expenses are calculated by aggregating the platform earnings and work-related expenses recorded during seven consecutive diary entries. Weeks 1 and 2 are averages of platform earnings and work-related expenses of participants from Cohort 1 and Weeks 3 and 4 are averages of platform earnings and work-related expenses of participants from Cohort 2

¹⁹ Platform workers have time and again agitated against reducing base rate charges. See here: <https://www.newsclick.in/trap-incentives-story-behind-swiggy-delivery-persons-lightning-strike-chennai>

²⁰ Cab drivers were an exception in this regard, where incentives were not chased by the workers, primarily because their per-task rate is much higher than auto-rickshaw drivers, even while working on the same platform.

One must be logged in for a minimum of 12 hours and complete 27 orders to receive incentives. I cannot cancel any orders (FGD, Swiggy/Zomato, 2022).

I can't pre-plan my working hours. I will have to work till I qualify for incentive. There are days when I have worked continuously for 24 hours to qualify for incentive. I needed money, so I had to do it (FGD, Dunzo, 2022).

Table 5: Share of incentives in daily earnings

Platform Segment	Number of times incentives were earned	Average share of incentives in daily earnings	Average incentive amount earned per day (INR)
All workers	109	34%	419
Food and grocery delivery workers	81	40%	419
Cab drivers	0	0%	-
Auto-rickshaw drivers	15	22%	587
Professional services workers	13	10%	223

Second, platforms define a whole list of requirements and criteria for workers to qualify for incentive payments, unlike incentives in other conventional employment that have simple, well-defined criterion. These requirements include minimum number of completed tasks, minimum number of hours worked/logged, a cap on the number of tasks that can be refused, compulsorily working during certain periods of day and week, etc. Each platform has its own incentive structure. Some platforms have incentive tiers, with higher payments for working longer and completing more tasks pushing workers to remain available and seek work for longer hours. Since incentives form a substantial component of potential earnings from platforms, platform workers thus feel compelled to meet all these requirements in the hope of earning incentives.

Figure 7 shows that participants had worked for more than 8 hours on 72 percent of the occasions and for more than 12 hours on 40 per cent of the occasions when they earned incentives. Auto-rickshaw drivers among the participants, for example, had worked close to 15 hours on average on days they earned incentives (see **Figure 8**).

Participants felt platforms used incentives to compel them to remain available for work longer, and while some expressed their frustration about it, many had internalized the belief that working for 15 to 16 hours was a sign of hard-work, and sulking about it, a sign of laziness (FGD, Dunzo, 2022; FGD, Big Basket, 2022). This kept them going in their quest for earning incentives.

Figure 7: Duration of work when participants earned incentives

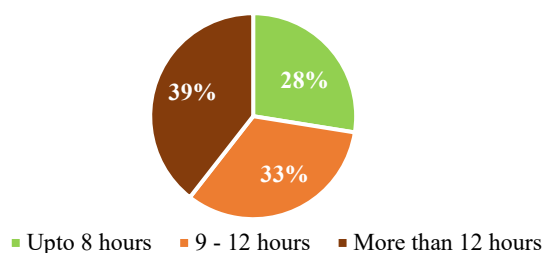
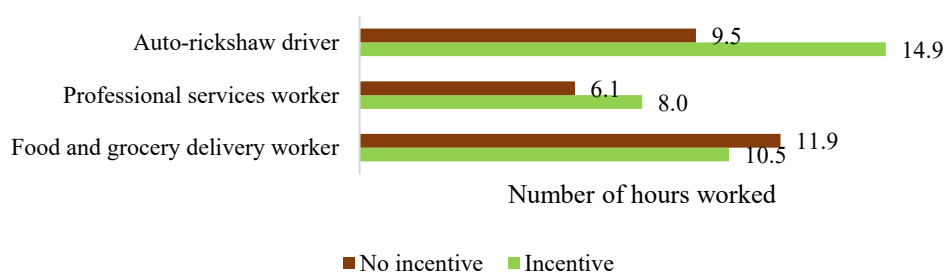


Figure 8: Average duration of work when participants earned/did not earn incentives



Platform workers are not guaranteed incentives even if they remain available to work for long hours

The loudest complaint among participants, however, was that even after they put in all the time and effort to fulfil the eligibility criteria, they were still not guaranteed incentives. This was especially observed among participants working for food and grocery delivery platforms, who had worked for longer on days they did not earn incentives than when they did (see **Figure 8**). This happened because meeting some of the eligibility criteria for incentives was beyond their control. Many participants complained of not being assigned any further task by platforms when they were just one task away from being eligible to earn incentives. The opacity of algorithmic assignment of tasks added to their frustration and disillusionment. Some even likened their pursuit of incentives to gambling, while a few others went a step further and alleged that platforms deliberately prevented them from meeting the eligibility criteria.

From morning till night, we complete our tasks one after the other, hoping to earn incentives. We would have worked 12, 13, 14 hours like this, completing many tasks, but when we are just one or two tasks away from qualifying for incentives, they will stop assigning us any more tasks. Even if we are actively waiting for the task, it just never comes. We don't know if it is deliberate, but it happens all the time (FGD, Swiggy/Zomato, 2022).

With incentives being very demanding, platform workers pursue incentives when in need

Even though incentives provide a way for platform workers to “shape” their income (Mas, 2015) by maximizing it, it is a very demanding pursuit for them, often without any guaranteed returns. Every day, participants had to decide whether or not to pursue incentives, and in some cases, the tier of

incentives that they would pursue. Those in financially dire situations had no other choice but to pursue incentives every day whereas others pursued incentives on days when they really needed the money.

We usually have a sense of how much money we need to earn each week or each month. Till we come close to earning that specific amount of money, we work however long it takes, and then we take it slow, take a day off or work for just a couple of hours, watch a movie, get some rest. Otherwise, we will feel burnt out (FGD, Dunzo, 2022).

Women participants found it hard to meet the minimum number of hours worked and tasks completed criteria that were a common eligibility criterion across platforms, as they worked for lesser hours on platforms, having to juggle between household care work and platform work. **Table 6** shows women participants earned incentives in less than 1 percent of their diary entries, whereas men reported earning incentives in over 40 percent of their diary entries.

For every 26 rides, they pay us INR 1,300, but it's difficult to complete 26 rides a day. By the time we complete 10 or 12 rides, it would be night 10:00 PM, so we don't concentrate on incentives. By chance if there are no other household responsibilities on a particular day, I decide to pursue incentives, else I don't (FGD, Ola/Uber, Woman Auto driver, 2022).

Table 6: Number of instances incentives were earned, by gender

Type of platform worker	Number of diary entries	Number of occasions incentives earned
Men	267	107
Women	28	2

Some participants mentally budgeted the incentive amount towards specific expenses such as on fuel. By “animating money” (Mas, 2015) through this mental allocation towards an immediate spending – “spending triage” as per Mas (2015) – they motivated themselves to fulfil the eligibility criteria and earn incentives.

If we cancel any order, then we won't even get the INR 500 incentive. We would have already budgeted that for our fuel costs. So, if we cancel any task, we will not have money for fuel. We do not cancel tasks even if they are inconvenient (FGD, Dunzo, 2022).

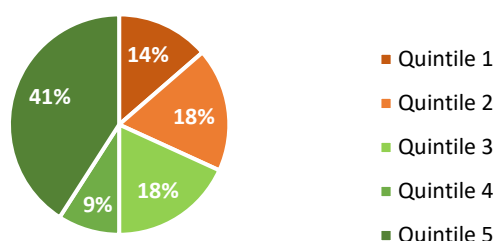
Participants pursuing incentives stuck to a single platform to fulfil all the requirements as it increased the chances of maximizing their earnings. On the other hand, participants not pursuing incentives switched between multiple platforms throughout the day, picking more convenient and higher priced tasks. They made use of cross-platform flexibility to “shape” their income by maximizing their earnings (Mas, 2015).

2.2.3 Household cashflows

Platform workers’ households are heterogeneous and are spread across the income distribution of urban Indian households

Based on the earnings and expenses documented during the diaries, participants’ households on average earned a monthly income of INR 33,580 and incurred a monthly expenditure of INR 21,300 (see **Figure 10**).²¹ As per the Centre for Monitoring Indian Economy’s (CMIE) nationally representative Consumer Pyramids Household Survey (CPHS) data (see **Appendix 3.18**), on average, this put them in the fourth quintile – i.e., between 60th and 80th percentile of urban households. However, **Figure 9** shows that the households of participants were heterogeneous and distributed across the income distribution, with 32 percent of households falling in the poorest two quintiles and 41 percent falling in the topmost quintile. The financial status of platform workers’ households can vary significantly based on their household composition and circumstances.

Figure 9: Participants vis-a-vis income distribution of urban households (CMIE-CPHS)



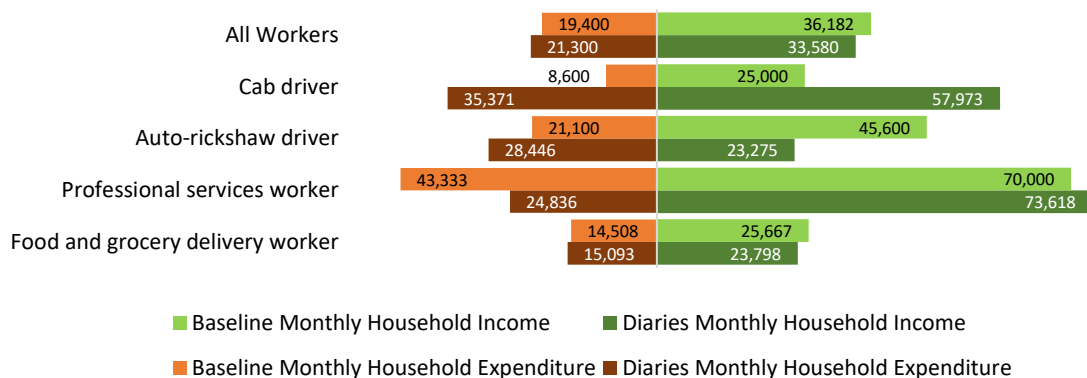
It is hard for platform workers to estimate their monthly household income and expenditure

Participants were asked to provide an estimate of their household’s income and expenses during an average month as part of the baseline questionnaire. This was compared against their household income and expenditure captured every day during the diaries, after averaging their daily household income and expenditure and extrapolating it to a monthly level (see **Figure 10**).

While the cab drivers underestimated both their income and expenses, auto-rickshaw drivers overestimated their income and underestimated their expenses. Only food and grocery delivery workers were able to estimate both their earnings and expenses quite accurately. Overall, participants expressed difficulty in being able to accurately predict their cashflows due to the volatility in their earnings and frequent shocks and spikes.

²¹ According to Gig Pulse, a sample survey of 500+ gig workers carried out by Karma Life and Lead at KREA University, the average monthly household income of gig workers was INR 40,000 (between 80th and 100th percentile of urban Indian households), slightly higher than that of this study’s sample. Read the full report here: https://blog.karmalife.ai/wp-content/uploads/2022/06/gig_pulse_report.pdf

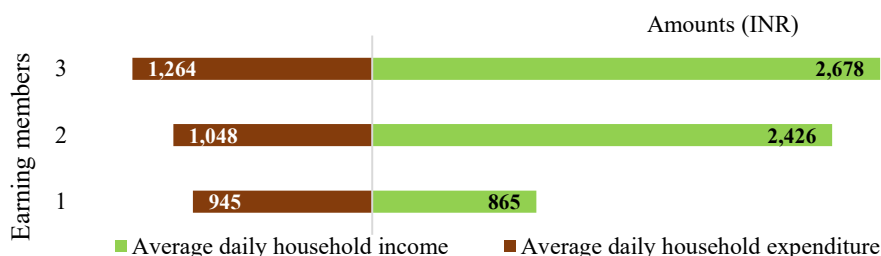
Figure 10: Monthly household income and expenditure - baseline versus diaries²²



Alternate sources of income help platform worker households

Households with multiple earning members and diversified income sources were able to shape their income better. As the number of earning members increased, average daily earnings and spending of participants’ households also increased (see **Figure 11**).

Figure 11: Household income and expenditure by number of earning members



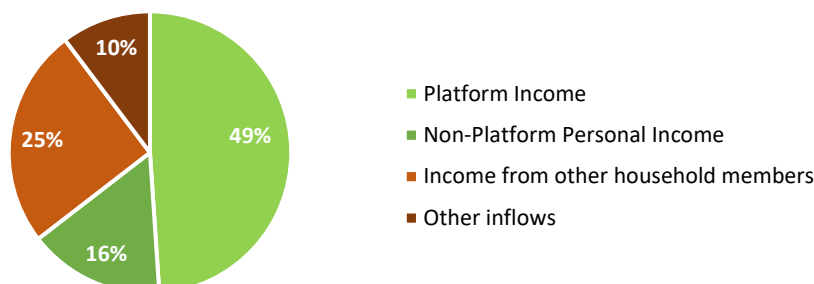
Migrant platform workers live frugally and must often manage multiple homes, at source and destination

Figure 10 shows that households of participants working with professional services platforms earned substantially higher than other segments. But the financial position of participants from this segment and their households warrants further explanation.

²² The monthly household income and expenditure for the diaries were calculated by extrapolating the household income and expenditure recorded over the 14 days of the diaries to a month. Household income comprises the net earnings of participants from platforms (minus work-related expenses) and other sources of income from participants as well as other members of their households. Household expenditure comprises all the expenses made by the participant as well as other members of their households and only excludes work-related expenses incurred by the participants

First, these participants were secondary earners in households with multiple earning members and hence were earning and spending more than others. **Figure 12** shows that less than half of their household income came from their platform earnings and the rest from other family members and sources. They may not be representative of the larger professional services segment of platforms workers.

Figure 12: Income composition of professional services workers' households



Second, these participants also had to pay a substantial platform subscription fee every month to their platforms²³ that reduced their disposable income significantly. However, this fee was not recorded in the diaries as their payment due date did not coincide with the diaries period.

We must pay a subscription fee of INR 6,000 every month mandatorily to stay registered on the app (FGD, Urban Company, 2022).

Third, like many platform workers from this segment, they were all inter-state migrants. One of them had his immediate family in Bengaluru and an extended family in his home state, and he was responsible for providing for both families. The other two participants had their families back home and lived on their own in the city. Given this, they limited their spending to routine and urgent needs and “animated” the rest of the money (Mas, 2015) by parking it to build the next instalment of remittance they would send back to their families. As soon as they managed to build a substantial corpus, they “mopped up the liquidity” (Mas, 2015) by remitting the corpus to their families.

If my family back home asks for any money, I must be able to send the required amount. So, I am unable to save properly for myself here. I save the money in my bank account only, and if the requirement comes from family, I can send it directly. I always keep a minimum of INR 10,000-15,000 in my bank account (FGD, Urban Company, 2022).

The volatile nature of platform work pushes platform workers below the poverty line on several days, especially when they are not working

Whether platform workers can be considered as urban poor is still a topic of debate, as their earnings typically place them above the poverty line. To check the poverty status of the participants, the World Bank defined poverty lines of 2.15 USD and 3.65 USD per capita per day were used, both at a monthly level using their reported household income during the baseline survey, and at a daily level using their reported household income during the diaries (see **Appendix 4.16**).

Table 7 shows that none of the 22 participants were classified as Below Poverty Line (BPL) based on the 2.15 USD poverty line and **Table 8** shows that 1 participant was classified as BPL based on the 3.65

²³ Urban Company partners protest new subscription-based work scheme, The Hindu Business Line; December 21, 2021; Access the full article here: <https://www.thehindubusinessline.com/companies/urban-company-partners-protest-new-subscription-based-work-scheme/article38005571.ece>

USD poverty line. However, the daily poverty statuses calculated revealed a few participants falling below the poverty line on certain days during the diaries. **Table 7** shows that based on the 2.15 USD poverty line, 16 out of 22 participants were classified as BPL on at least 1 day and household incomes in 36 of the 295 diary entries were classified as BPL. **Table 8** shows that based on the 3.65 USD poverty line, 17 out of 22 participants were classified as BPL on at least 1 day and household incomes in 46 of the 295 diary entries were classified as BPL.

Across platform segments, participants earned below the poverty line on a few days during the diaries, especially on days when they were unable or chose not to work. In households where the participants were the sole earners (14 of the 22 households in the study), participants not working even for a single day had an economic cost. Since platforms do not compensate for sick leaves or other kinds of leaves that they may require, participants reported working without rest even when they were sick.

Table 7: Poverty status of participants based on World Bank 2.15 USD poverty line

Platform Segment	Participants	BPL participants based on baseline monthly income	BPL participants during the diaries for	
			at least 1 day	at least 5 days
Food and grocery delivery worker	12	0	9	2
Professional services worker	3	0	2	0
Auto-rickshaw driver	5	0	3	0
Cab driver	2	0	2	0

Table 8: Poverty status of participants based on World Bank 3.65 USD poverty line

Platform Segment	Participants	BPL participants based on baseline monthly income	BPL participants during the diaries for	
			at least 1 day	at least 5 days
Food and grocery delivery worker	12	1	9	8
Professional services worker	3	0	2	2
Auto-rickshaw driver	5	0	4	2
Cab driver	2	0	2	0

2.3 Saving and borrowing behaviour of platform workers and their households

2.3.1 Saving behaviour

Formal savings products designed for salaried workers are not suitable for platform workers

While participants tried to maximize their income by stretching their time and labour, “income shaping” as per Mas (2015), a common lament voiced by most was that their net platform earnings were barely sufficient for their households’ day-to-day consumption, leaving them with hardly anything to save.

But on the few occasions they managed surpluses, however small, they saved. Uncertainty over when participants would achieve surpluses and when they would need to withdraw their savings to manage emergencies meant that the formal saving and investment products that come with standardised structures, require regular deposits, and have withdrawal restrictions/penalties, did not fit well with their financial context. None of them saved in formal savings products like fixed deposits (FD), recurring deposits (RD), post-office savings accounts, pension funds, mutual funds, etc. (see **Table 9**). In fact, during the FGDs, a few participants mentioned that they had initiated saving in FDs and RDs only to discontinue within a couple of months as they could not keep up with regular payments.

Table 9: Participation of participants in different savings instruments

Savings instrument	Number of participants who reported saving in the product during the baseline
Bank account	4
FD/RD	0
Post-office savings account	0
Pension Fund	0
Life insurance	3
Chit-fund	9
Other informal savings	2

Platform workers save informally or in their bank accounts, valuing accessibility and flexibility over higher returns

Since formal savings products were unsuitable, most participants resorted to informal group-based savings, popularly known in India as ‘chit-funds’. Some saved informally in cash, while others kept their surpluses in their bank accounts where their earnings were already getting credited. A few participants – who were graduates and had dependents – reported having bought endowment plans for life insurance. One of them paid a premium for life insurance during the diaries (see **Table 10**).

I believe it is crucial to diversify my savings, so I put some of my money in chit funds and keep some in my bank account. For instance, the money I get through Ola Money stays in my bank account (FGD, Ola/Uber, Auto driver, 2022).

Even though participants wanted to “harden their money” (Mas, 2015) whenever they managed surpluses through saving, they valued having an option to retrieve these savings in case of emergencies that they always foresaw. Participants remembered instances when they were forced to dip into savings meant for long-term goals and these experiences prompted them to prioritize ease of liquidity over higher returns. Chit-funds, therefore, was the most popular saving instrument, as it was not only easy to save or borrow, but also helped them nurture mutually beneficial relationships with their community – “liquidity farming” as per Mas (2015) – that could help them during tough times.

Table 10: Instances of saving by participants during the diaries

Savings instrument	Number of instances
Cash at home	6
Chit-fund	3
Life insurance premium	1

Platform workers’ families allocate some of their surpluses towards routine expenses but also save in small quantities for their long-term goals

Whenever they managed surpluses, participants and their families saved them to raise money for recurring expenses such as monthly loan instalments and children’s school fees. They “animated” their surplus money by mentally allocating it towards these expenses and “hardened” that money by saving it separately, either as cash at home or in their bank accounts (Mas, 2015). They also saved for their long-term “fuzzy goals”²⁴ (Mas, 2015), such as securing their future, providing good education to their children, and eventually opening their own small businesses. They did this by saving their surpluses to build their next chit-fund instalment amount and they had already planned to re-invest their final returns from chit-funds in another financial instrument, mostly gold. Both chit-funds and gold were seen as instruments that would help them reach their long-term goals (see **Appendix 3.17**) and saving in these instruments itself had become a proxy goal for many participants.

One can invest in gold or other instruments only when they have managed to raise a sizable corpus. We raise this by saving small amounts regularly with chit-funds (FGD, Ola/Uber, Auto driver, 2022).

2.3.2 Insurance cover

Only a few platform workers own health and life insurance

During the baseline survey, only 3 out of 22 participants reported owning health insurance and 3 other participants reported owning life insurance. With 20 out of 22 participants being the sole or primary earners in their household (see **Appendix 3.4**), many were vulnerable due to lack of social protection.

A few platforms now provide health and accidental insurance to workers, but workers have trouble with claims and coverage

Most participants said that their platforms provide them with health and accidental insurance, but some of them reported having faced difficulties in filing and receiving claims and not having sufficient

²⁴ Fuzzy goals are broad goals set by households that can be achieved by investing or spending on several alternative items. Mas’ framework says households prefer setting broad fuzzy goals to specific goals such as purchase of one specific item, because it gives them more ways to get closer to achieving their goals, depending on their financial situation. For example, households prefer to set improvement in quality of life as a goal, to buying a car. This way, even if their current financial situation is not conducive for purchasing a car, they can get closer to achieving their goal by buying a two-wheeler, refrigerator, air-conditioner, etc.

knowledge about the terms and conditions of the insurance plan. Some felt the insurance cover was inadequate while others were concerned that their family members were not covered.

2.3.3 Borrowing behaviour

Platform workers borrow very often to meet their financial needs

Many participants expressed that they often found themselves having insufficient money to meet their financial needs – small-ticket routine expenses as well as large-ticket unexpected expenses – forcing them to rely on borrowing to meet those needs. **Table 11** shows that during the diaries, 44 new loans with an average loan size of INR 2,781 were accrued by participants, and 36 outstanding loans with an average instalment size of INR 2,275 were repaid. 18 out of 22 participants had borrowed at least 1 loan, while 15 out of 22 participants had repaid at least 1 outstanding loan. **Table 12** shows that 26 out of 44 loans, i.e., 60 per cent of the loans borrowed during the diaries were for smoothing their day-to-day consumption and were small-ticket loans worth INR 1,763 on average.

Table 11: Number of loans and average loan amounts borrowed and repaid during the diaries

Platform Segment	Number of loans borrowed	Average loan amount borrowed (INR)	Number of loans repaid	Average loan amount repaid (INR)
All workers	44	2,781	36	2,275
Food and grocery delivery workers	18	4,353	16	2,868
Professional services workers	12	168	4	5,625
Auto-rickshaw drivers	8	2,063	14	449
Cab drivers	6	4,250	2	3,625

For maintaining the family, we have to take loans because our income is not sufficient for us (FGD, Ola/Uber, Cab driver, 2022).

For children’s school fees and books; for looking after parents and buying them medicines; if we are stuck in any other emergency and we do not have any money, we are forced to take loans. We are in a kind of job where we will have money at the end of a day only if we work that day, so we do not have emergency funds. If anything goes wrong, we have no option but to take a loan (FGD, Ola/Uber, Cab driver, 2022).

Platform workers often borrow from their peers for their day-to-day needs

Since participants and their families frequently needed financial support to manage their finances, they placed a lot of importance on cultivating and maintaining cordial relationships with others in their social networks. As per Mas’ (2015) framework, these relationships were “liquidity farms” sown by participants and their families to harvest in times of need. A central feature of these social networks was

reciprocal lending, wherein they helped each other financially, mainly through credit. **Table 12** shows that 26 of 44 loans, i.e., 60 percent of loans borrowed by participants during the financial diaries were accessed from their social network of friends or relatives. These reciprocal lending arrangements were often interest-free and had flexible repayment terms, with the borrower returning the loan amount at once when they had liquidity (see **Table 13**). Therefore, this was a vital money management avenue for platform workers.

We avoid taking loans for every minor need as it may cause tension and ruin friendships. We prefer seeking help from our friends or family only when it is necessary and pay them back as soon as we have some money-in-hand. It is only when we don't get any friend's support that we resort to taking loans from moneylenders (FGD, Urban Company, 2022).

Table 12: Details of loans borrowed during the diaries by purpose

Purpose of loan	Number of loans borrowed	Average loan amount borrowed (INR)
Consumption Smoothing	26	1,763
Wedding/Social events	7	7,214
Health/Medical Expenses	3	2,100
Business/Investment	3	2,667
Vehicle Maintenance	3	3,000
Miscellaneous	3	1,913
Debt Repayment	1	3,000
All purposes	44	2,781

Table 13: Details of loans borrowed during the diaries by source

Source of loan	Number of loans borrowed	Average loan amount borrowed (INR)
Friends/Relatives	26	2,947
Shops	12	168
Moneylenders	3	10,500
Employers	1	1,500
Digital Lending Apps	1	239
All sources	44	2,781

Table 14: Terms of loans borrowed from friends or relatives

Loan characteristics	Number of loans
All loans borrowed from friends or relatives	26
Interest on loan	
Interest	2

No Interest	24
Repayment terms	
One-time repayment	25
Monthly repayment	1

It is very difficult for platform workers to get formal credit

Despite being regular borrowers, participants hardly sought formal credit. Their only formal loan was the loan they had borrowed to make an initial investment for joining platform work, such as on their vehicle, mobile phone, or other equipment. Some of them were still repaying these loans years after having taken them, while others had already closed theirs (see **Table 15**). The instalment size of formal loans was considerably higher than other loans (see **Figure 13**), and a majority of them were being repaid at a monthly frequency. During the FGDs, many participants shared that they had failed to repay their instalments at least once during the loan tenure, which had harmed their credit scores and creditworthiness. Thereafter, it became increasingly difficult for them to access formal credit and the absence of salary statements from platforms added to their difficulty. Participants shared how formal lenders instantly rejected their loan requests as soon as they disclosed that they were platform workers.

Their earnings are less and volatile, but they still have to repay all their commitments. Many times, they are not able to pay on time and that directly affects their CIBIL scores. When they are unable to pay for a month, they must also pay a penalty which becomes difficult to manage and then getting a loan again also becomes very difficult (KII Interview, Trade Union representative, 2022).

We don't get loans from any bank, so we take loans from local moneylenders even if they charge a high interest. The moment we mention we are gig workers; banks cut the call or reject our loan because we cannot provide pay slips. And they think we have bad credit scores. If we have to take these loans, we have to take it through a friend or relative who has a salaried job. (FGD, Ola/Uber, Cab driver, 2022).

Platform workers thus approach informal lenders for larger financial needs that their social networks cannot afford

With difficulties in accessing formal credit, participants were compelled to borrow from informal moneylenders, especially when their needs were beyond what their social networks could afford to lend (see **Table 13**). These loans were usually for their emergency expenses, such as on health, or other non-work lumpsum expenses, such as on purchasing durables, renewing insurance, or investing in real-estate. These informal loans also accommodated their preference for repaying small amounts at frequent intervals. **Figure 13** shows that the average instalment size for repaying moneylenders was INR 1,073, as opposed to INR 6,913 for repaying SHGs/MFIs/NBFCs. Informal loan repayments mostly happened at daily or weekly frequencies whereas, formal loan repayments mostly happened at a monthly frequency.

Platform workers prefer paying smaller instalments more frequently than paying large instalments once a month

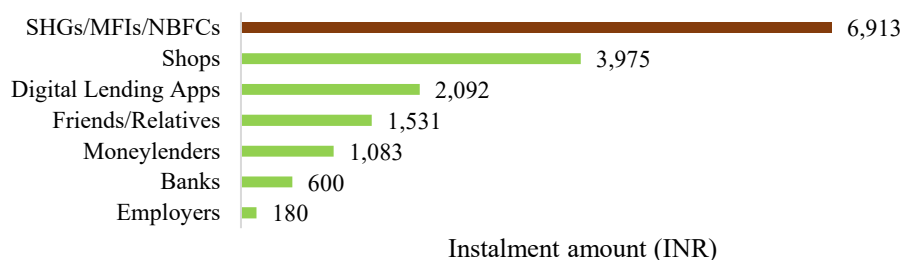
At any point, participants and their families had many routine commitments and urgent needs to address on priority, “spending routines” and “spending triages” as per Mas (2015). They expressed difficulty in

paying large instalments once a month as they tended to deprioritize and postpone thinking about the instalments till the due date neared. Once it neared, they had to scramble to build this large corpus either by dipping into their saving and/or through borrowing, or risk harming their credit scores and future creditworthiness. But on the other hand, small instalments at high frequencies – ideally around their pay days – were easier to manage as frequent repayments became “spending routines” and always stayed as a priority in their “spending triage.” All except one of repayments to moneylenders recorded in the diaries had daily or weekly instalments.

Table 15: Initial investments made by participants while starting platform work

Initial Investment	Number of participants who		
	Made the investment	Took loan for the investment	Still repaying the loan
Mobile	16	15	4
Car	3	3	2
Auto-rickshaw	3	3	2
Moped	6	4	1
Bike	3	3	1
Platform subscription fee	5	5	1

Figure 13: Average loan repayment amount by source



2.4 Time use patterns of platform workers

2.4.1 Time-use patterns of women platform workers

Women platform workers work for lesser hours than their male counterparts

The flexible nature of platform work was utilized differently by men and women among the participants. Men primarily used it to work longer hours and “shape” their income (Mas, 2015), while women used it to accommodate both care and paid work. Literature on women in the platform economy also echoes this finding that women take up platform work as it allows them to fulfil both their work and household and care commitments (Raman & Kulkarni, 2021). Women participants decided their time and duration of work each day after assessing their other household and care responsibilities. During the FGDs,

women participants mentioned they spent time in the mornings to complete their household and care work and started platform work later than men. Most women participants also mentioned that they either stopped platform work for the day or restricted themselves to accepting tasks closer to their home or in familiar localities where they felt comfortable, once it turned dark, because of safety concerns.²⁵ While the flexible nature of platform work allowed women participants to alter their work hours and choose convenient tasks, they worked relatively lesser hours as compared to men (see **Table 16**) and had a lesser chance of earning incentives. Studies (Cook et al., 2018) have found safety considerations to affect women’s earnings and negatively impact their chances of obtaining lucrative orders in future.

I start my work a little late. I start around 12pm only after finishing household chores and return earlier than my husband at 10 pm. My husband works from 9 am till 11 pm (Interview, Woman, Swiggy/Zomato, 2022).

Table 16: Daily duration of work by gender

Gender of participants	Average number of hours worked on a workday
All male participants	10.8 hours
Woman participant 1	7.8 hours
Woman participant 2	9.4 hours

Poor infrastructure puts additional burden on platform workers, especially women workers

Inaccessibility to basic infrastructure, such as washrooms or parking areas, put additional stress on participants, and more so on women. Not only were accessibility issues unpredictable – therefore increasing their time and income volatility – but they also increased the risk of them developing adverse health issues. As a way of coping, women participants created a mental map of the city with accessible and safe infrastructure.

Access to toilet is very difficult for us, especially women. There are very few functional toilets, and even when they exist, men are often allowed to use those toilets, making us feel unsafe and uncomfortable." (FGD, Ola/Uber, Woman Auto driver, 2022).

We usually make a note of the localities and landmarks where there are clean washrooms. When we are in these localities, we use the washrooms, either in between tasks if the customer is a woman customer, or after completing the task if it is a man (Interview, Ola/Uber, Woman Auto driver, 2022).

2.4.2 Time use and unpaid labour

The nature of platform work compels workers to remain hypervigilant and engage in unpaid work, such as waiting for tasks

²⁵ Women participants were not the only ones who expressed safety concerns. Across FGDs, many men also complained of having been attacked on the streets and feeling unsafe, especially during late-night hours.

The literature on invisible labour²⁶ has attempted to make visible the labour that was largely unseen or unrecognized in different work spheres. Researchers have described invisible labour as the labour that workers must put in to generate income or sustain their jobs but one that is not recognized or acknowledged by employers (Crain et.al., 2018).

Hypervigilance was one of the most evident forms of invisible labour observed during the study. The nature of platform work where a large pool of platform workers has to compete with each other for a finite number of tasks, required participants to remain hypervigilant all day in impatient anticipation of tasks getting assigned to them. But they did not get paid for the time spent waiting for tasks. Cab drivers and auto-rickshaw drivers reported being perpetually hypervigilant, so that they could instantly accept a task before any other workers in their vicinity.

Many of them complained that the distance they had to cover to reach the customer pick-up point often exceeded the distance between the pick-up and drop points. But they were only paid for the latter and not for the former. Therefore, they had to weigh the cost and benefit of each task before accepting it, which took time.

Even when we are waiting for a ride, we don't relax or waste time. We keep driving around to different locations where there are chances of getting more tasks. Our mind keeps thinking about work and the fuel also gets spent as we are on the move. When a customer books a ride, around 50 drivers in the vicinity get intimidated about it. Before accepting the ride, the driver must check the drop location, trip distance, and pricing. All of this must be done in seconds before any other driver accepts the ride. It demands a high level of alertness and technical proficiency (FGD, Ola/Uber, Auto driver, 2022).

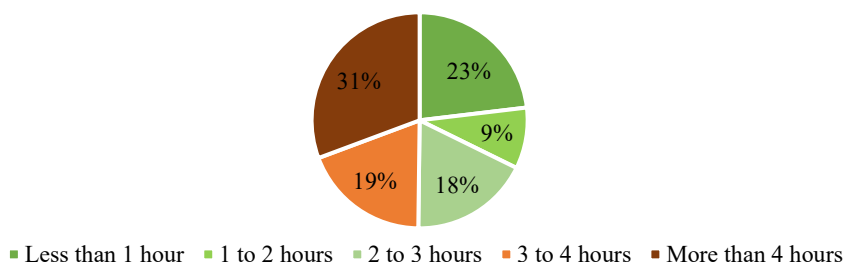
When not performing tasks, they were mentally engaged in strategizing to maximize their chances of getting tasks as quickly as possible, such as travelling to areas where they predicted high customer demand. This also increased their time and fuel costs.

Sometimes, we will get a ride where the drop-point is one of the 5-star hotels right next to the airport, which earns us little, after all that waiting. And we cannot even go back to the airport again for another task because we will again have to wait for hours for our turn. So, we drive all the way back into the city with our own fuel so that we get other tasks. From all this, instead of earning anything, we end up incurring losses (FGD, Ola/Uber, Cab driver, 2022).

Figure 14 shows that participants reported waiting for at least 3 hours in nearly half of the diary entries. But they were only paid for their tasks and their waiting time remained unpaid and unacknowledged. Veterans among the participants attributed the long waiting times to a larger increase in the pool of platform workers vis-a-vis customer demand, effectively reducing the number of potential tasks each worker could get. This made their wait times longer and compelled them to compete vigorously with each other in securing tasks.

²⁶ The term "Invisible labour" was first used by Arlene Daniels to address the household and volunteer work which were devalued and unacknowledged within the cultural and economic domain (Daniels, 1987), eventually expanding to other areas of work.

Figure 14: Number of hours participants spent waiting for tasks



While the data reflected long work hours, sometimes stretching up to 12-16 hours, only about half of this time was spent on labour that is paid for and acknowledged by the platforms, keeping the workers underpaid and their capacities under-utilized.²⁷ This prolonged exposure to a stressful environment, a considerable amount of time and money spent waiting and strategizing for tasks, and the emotional and psychological labour that forms a crucial part of their work, all remained unacknowledged, unpaid, and invisible.

Platform workers keep shifting between platforms based on their assessment of which is the marginally better rewarding platform

Given the absence of alternatives, participants continued to work on platforms even though they felt they were underpaid, and their capacities underutilized. But many participants reported shifting between platforms as a strategy they often adopted.

We have the liberty to choose which platform to use. We usually use a strategy of comparing which platforms are giving the highest amount of incentive, assigning the most tasks, and where friends have been happy working for, and then choose accordingly (FGD, Swiggy/Zomato, 2022).

There were three reasons that motivated them to jump across platforms: first, when they knew they were not able to complete all the incentive criteria, they chose the platforms that gave higher per task payment. Second, when they were disappointed with the platform after not earning incentives despite putting all the effort from their side, and third, when they were not in a financially pressing situation and were not trying to earn incentives but were constantly looking for the most profitable tasks across platforms.

2.4.3 Impact of invisible and unpaid labour on the well-being of platform workers

The nature of platform work affects both the physical and mental well-being of platform workers

The constant need to be hypervigilant caused physical and emotional distress to participants, many of whom reported feeling stressed all the time. The high volatility in earnings and their limited capacity to “shape” their income impeded the capacity of participants to plan their expenses ahead and kept them stressed about managing their finances. Their pursuit of incentives and constant hypervigilance also made them skip meals, breaks, sleep, etc., and affected their physical and mental health and well-being.

²⁷ International Labour Organization (ILO) identifies this as time-related underemployment, where workers may be willing and available to work for longer than they currently are as part of their work (ILO, 1999; ILO, 2018).

We don't even have time to sleep. We work from 6 AM in the morning till midnight. When it is lunch, we may have customers, and by the time we get free and can stop for lunch, most restaurants would have stopped serving lunch. We usually avoid carrying a lunch box because we do not have a place to carry it safely without spilling, and because the smell may repel some customers (FGD, Ola/Uber, Auto driver, 2022).

With no option of paid leaves and their need to work to be able to earn any money, participants reported working even when they were sick. The diaries period also coincided with the receding monsoon season in Bengaluru. Many participants fell sick due to their prolonged exposure to heavy rainfall. They continued to work regardless.²⁸

If we fall sick and take leave for a few days, we will have to compensate by working extra hours on other days. Otherwise, we will not be able to meet our targets. So, we don't take many leaves, even if we are unwell. (FGD, Ola/Uber, Cab driver, 2022). 17

²⁸ The financial diaries were recorded during the month of November when Bengaluru city usually experiences its second (north-east) monsoon season.

Chapter 3: Conclusion and setting the research agenda

Platforms leverage technology to serve as intermediaries in a multi-sided market that includes customers demanding specific products and services, vendors supplying those products and services, and platform workers supplying their labour to deliver these products and services from the vendors to the customers. Platform workers, often termed as “independent contractor” or “partners,” enjoy a higher level of flexibility than those in traditional employment, having the option to choose their tasks and working hours (Broughton et al., 2018). Platforms have created more job opportunities for service workers, with prospects of better earnings (NITI Aayog, 2020). However, the issues that persist in other labour markets are also prevalent here, albeit manifested differently.

Platforms’ entry into the Indian labour market created more formalization of labour in a vastly informal economy (Chatterjee et al., 2021),²⁹ where workers work in poor working conditions and earn meagre incomes (Punia, 2020). When platforms began their operations in India, they attracted these largely disgruntled informal workers towards platform work by promising them an escape from their exploitative and underpaying workplaces and an opportunity to earn more, while enjoying autonomy and flexibility over their work. Initially, platforms lived up to these promises, because platforms depended on positive network externalities to become profitable, which required a critical mass of platform workers and customers to subscribe to them. But as a few big platforms surpassed this critical mass and became monopsonist in the labour market, platform workers’ real wages have reduced and other benefits have been gradually retracted, leaving workers to bear the costs for most work-related expenses. Platform workers now find it challenging to sustain such costs and maintain their household finances, pushing them into taking loans more frequently than they can set aside savings.

Platforms, by virtue of being monopsonist, also have the bargaining power to design the payment structure in a way that compels workers to stay available and seek tasks for long hours. Platforms achieve this by designing their conditional payments called incentives in a way that makes it a substantial component of workers’ potential earnings and then requires workers to fulfil a set of eligibility criteria – including the number of hours logged and number of tasks completed – to qualify to earn incentives. Left with no choice but to maximize their earnings, platform workers set out to fulfil these criteria. Despite their efforts to fulfil the eligibility requirements, they do not always manage to earn incentives. This is because of volatility in the number of tasks assigned to them that is in turn caused by an ever-expanding pool of platform workers and fluctuating customer demand. This forces them to constantly stay hyper-vigilant and compete for jobs with fellow workers, adding further to their physical and mental stress, and exacerbating their day-to-day income volatility.

With no other alternative except platform work that promises them higher and more stable earnings, they regularly switch between platforms but continue to work in the platform economy for the time being, remaining underemployed and earning less than what they require and what they can. But many consider platform work as unsustainable in the long run and have set goals for their future outside the platform economy. Having experienced some degree of flexibility and autonomy in platform work notwithstanding the many terms and conditions, these have become non-negotiable features in their future career plans, and hence, they are not willing to get back to their earlier, non-platform, blue-collar

²⁹ In a written response to a question raised in Lok Sabha, the Labour Minister reiterated that according to the Economic Survey 2020-2021, there were 440 million people working in the unorganized/informal sector in India. See here: <https://pib.gov.in/PressReleasePage.aspx?PRID=1942079#:~:text=As%20per%20the%20Economic%20Survey,registered%20on%20eShram%20in%20Haryana>

jobs, especially when they are unsure if those jobs will pay as much. Therefore, most of them have set self-employment as the next step in their career path but are finding it difficult to work actively towards reaching those goals, given the day-to-day challenges of their work and money management.

Despite the many challenges faced in and complaints about platform work, workers continue – and aspiring workers flock – to work in the platform economy because there is a lack of alternative employment avenues currently in the Indian labour market that can guarantee them comparable earnings for their level of education and skills. Participants' households earned a monthly income of INR 33,580 and incurred a monthly expenditure of INR 21,300 on average, placing them between the 60th and 80th percentile of India's urban households. Therefore, they are among the better earning urban Indian households on average. However, the financial status of platform workers and their families can vary significantly depending on their household composition and circumstances, and even in the study's small sample, households were distributed across the income distribution of urban Indian households.

The study has brought forth the many intricacies in the financial lives of platform workers along with a rich detailing of their experience dealing with financial and psychological vulnerabilities. Further research on the following topics can strengthen our understanding of the role of platform economy in shaping the livelihoods and wellbeing of platform workers:

- Considering that this study was primarily based in Bengaluru among a small sample of largely male workers, a study with a bigger sample size – particularly by speaking to more women working in different platform segments – will be helpful to document the specific opportunities and challenges they face while undertaking platform work.
- While this study documents the mental stress that platform workers go through due to the nature of their jobs, a deeper and longitudinal investigation will be useful to assess the long-term psychological impact of working as a platform worker. Longitudinal financial diaries data can also be used to capture the volatility in income and expenses of platform workers across a long period of time.
- Several new platforms such as *Namma Yatri*,³⁰ an auto-rikshaw hailing platform in Bengaluru, have been rolled out as an alternative platform to address many pressing concerns of platform workers and give them greater control and visibility over their tasks and earnings. These platforms are being onboarded to the Open Network for Digital Commerce (ONDC) platform initiated by the Ministry of Commerce, Government of India to bring a wide range of buyers and sellers on the same platform and provide platform workers access to it without mediation of commercial platforms. A study of these alternate platforms – their business models, and whether and to what extent they are solving the pain points of platform workers – will be beneficial to move towards articulating features of an 'ideal platform' that can help workers while remaining commercially viable. It will also be important to check whether these publicly facilitated platforms have been able to affect the monopsonist and monopolist status of platforms, thereby solving or addressing some of the issues faced by platform workers.
- Platforms and governments alike are being responsive to some of the demands of platform workers. For instance, recently, food delivery platform Zomato launched its first resting point for its workers in Bengaluru, a demand that was strongly articulated in multiple FGDs by the participants.³¹ The Rajasthan state government announced the Rajasthan Platform-based Gig

³⁰ The *Namma Yatri* app was launched in November 2022 by Juspay Technologies.

³¹ Zomato unveils South India's first resting point in Bengaluru in presence of BJP's Tejasvi Surya; Business Today, 11 June 2023; Access the full article here: <https://www.businesstoday.in/latest/corporate/story/zomato-unveils-south-indias-first-resting-point-in-bengaluru-in-presence-of-bjps-tejasvi-surya-385127-2023-06-11>

Workers Bill in its latest budget,³² that will create a welfare board for platform workers with representatives from among platform workers and trade unions and manage the welfare fund collected through a “gig worker welfare cess” from customers of the platform economy. Several state governments are following suit. A study of these measures will be useful to understand their effect on worker well-being and propose ways in which they can be improved.

- The study finds that conventional savings and loan products offered by the formal financial system does not suit the financial context of platform workers and their households. Insights from the study on the money management strategies adopted and the financial behaviour exhibited by platform workers can inform practitioners in their design of financial products and processes that better suit the context and needs of platform workers.³³
- Finally, the study has documented the state of social security of platform workers in terms of access to insurance and other long-term savings products. Further research is required to understand the challenges platform workers face in accessing and using social security schemes provided by the government. Even though some participants reported owning accidental insurance, difficulty in claiming the insurance as well as lack of ownership of other retirement and pensions products highlights the need for better access to and provision of social security benefits for workers.

³² Promising Bill: On the Rajasthan Platform-based Gig Workers (Registration and Welfare) Bill, 2023; The Hindu; April 27, 2023. Access the full article here: <https://www.thehindu.com/opinion/editorial/promising-bill-the-hindu-editorial-on-the-rajasthan-platform-based-gig-workers-registration-and-welfare-bill-2023/article66781297.ece>

³³ Karma Life: Empowering the Gig and Blue-Collar Workforce through Financial Inclusion, Start-up Story, 11 April 2023. Access the full article here: <https://startupstorymedia.com/stories-2023-04-karmalife-startup-story/> Karma Life provides early wage access to platform workers (EWA), giving them access to a part of their earnings before payday. They also use platform data on rides, earnings and other performance metrics as eligibility criteria for sanctioning loans to platform workers. This way, they intend to design products that are tailor made for the needs of platform workers.

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Appendix 1: The Baseline Questionnaire

I. Information on respondent and their household

Demography

Q1 a. Surveyor Name

Q1 b. Date of the entry

Q1 c. Respondent Name

Q2. Age

Q3. Gender

Q4. Educational Qualification

Q5 a. Did you migrate to Bengaluru for platform work/employment?

Q5 b. Did you migrate from within Karnataka or outside Karnataka?

Work profile

Q6. Which platform(s) do you work for currently and for how many years?

- Ola
- Uber
- Rapido
- Big Basket
- Dunzo
- Swiggy
- Zomato
- Urban Company
- Others

Q6 a. Do you have any other source of income, other than platform work?

Q6 b. If yes, what work are you engaged in?

Duration of work with the platforms and HH details

Q7. How many years have you worked in the platform economy? (in general)

Q8. How many members are there in your household?

Q9. How many earning members are there in your household?

Q10. Are you the primary income earner in your household?

Q11. What was your occupation before starting platform work?

II. Information on respondent's routine, earnings, expenses vis-a-vis platform work

Investment and time use

Q12 a. What initial investment(s) did you make while starting the platform work?

- Mobile phone
- Car
- Auto-rickshaw

- Moped
- Bike
- Platform subscription fee
- other equipment (specify)

Q12 b. Did you take loan/borrow money for the following investments?

- Mobile phone
- Car
- Auto-rickshaw
- Moped
- Bike
- Platform subscription fee
- other equipment (specify)

Q12 c. What is the current status of the loan you had borrowed?

- Mobile phone
- Car
- Auto-rickshaw
- Moped
- Bike
- Platform subscription fee
- other equipment (specify)

Time use

Q13 a. How many hours do you work in a day on average?

Q13 b. When do you usually start your work?

Q13 c. When do you usually end your work?

Q13 d. In between your work hours, approximately how many hours do you spend waiting for tasks on average?

Q13 e. In between your work hours, how much time do you spend on breakfast/lunch/snacks/restroom breaks?

Q14 a. After a full day's work, what are your absolute earnings from the platform, approximately?

Q14 b. Does your platform provide you task based incentives?

- Ola
- Uber
- Rapido
- Big Basket
- Dunzo
- Swiggy
- Zomato
- Urban Company

- Others

Q14 c. How many times in a week do you qualify to get incentives on average?

Q14 d. What is the amount of maximum number of incentives you get?

Q14 e. How frequently does the platform credit your earnings?

Q14 f. If you worked for the same number of hours during two different weeks, do you expect your earnings to be same or different?

Daily work related spendings

Q15 a. Approximately, how much money do you spend during an average workday?

Q15 b. What among the following items do you spend on, on an average workday and how much?

- Fuel
- Food - Breakfast, lunch, dinner
- Coffee, snacks, cigarettes, etc.
- Other (specify)

Monthly work related spendings

Q16. What among the following work-related items do you have to spend on, month-on-month basis and how much?

- Mobile recharge
- Mobile service
- Vehicle maintenance
- Repaying active loan on mobile/vehicle
- Equipment purchase/maintenance
- Platform subscription fee
- Others

Yearly work related spendings

Q 17. What among the following work-related items do you spend annually and how much?

- Mobile purchase
- Renewal of vehicle insurance
- Other (specify)

III. Information on finances of the respondent's household

Income of HH

Q 18. After accounting for all the aforementioned expenses, what is your approximate net monthly income?

Q 19. What is your household's monthly income on average from all sources?

Q 20. What is your household's monthly expenditure on average?

Expenses of HH

Q 21. What are the usual expenses/commitments in your household and how much?

Rent

- Groceries and Essentials
- Loan commitments
- School fees
- Medicines and medical expenses
- Transportation and fuel
- Bills for essential utilities (water, electricity, internet, mobile, gas, etc.)
- Others

Household Savings

Q 22. What among the following instruments do you save/invest in and how much do you invest for these in a month?

- Bank account
- FD/RD
- Post office savings account
- Pension fund
- Life insurance
- Health insurance
- Chit-fund
- Bought gold
- Others

Q 22 a. What is the frequency at which you make this saving?

- Bank account
- FD/RD
- Post office savings account
- Pension fund
- Life insurance
- Health insurance
- Chit-fund
- Bought gold
- Others

IV. Information on future goals/plans of the respondent and their household

Goals

Q 23. How many more years do you think you will work in the platform economy?

Q 24. What do you plan to do after moving out of platform work?

Q 25. What are your household's main financial goals?

Appendix 2: The Financial Diaries Questionnaire

I. Income and expenses

Q1 a. Surveyor Name

Q1 b. Date of the entry

Q1 c. Respondent Name

Q2 a. What was your absolute earnings from the platform yesterday?

Q2 b. How much did you earn from your tasks?

Q2 c. How much did you earn from incentives?

Q3 a. How much did you spend on work related expenses

Spending

Q3 b. What among the following do you spend during your work yesterday and how much?

- Food
- Snacks, coffee, and cigarettes
- Vehicle maintenance
- Mobile service
- Equipment purchase/service
- Fuel
- Other (specify)

Inflow

Q4. What was your net income from the platform yesterday?

Q5. Did your household receive any other inflow from any of the following sources yesterday?

- Income from another member in the household
- Income from personal duty
- Gift
- Private transfer (remittance)
- Government transfers (pension, allowance, ration, etc.)
- Past loan repaid by friend/family
- Other (specify)

Borrowings

Q6. Did your household borrow money/take loans yesterday?

Q6 a. How many loans did you borrow?

Loan

a) What was the amount borrowed?

b) What was the purpose for borrowing?

Others

c) Whom did you borrow from?

Others

d) Is this an interest-based loan?

e) What is the repayment frequency of this loan?

Others

Household expenses

Q7 a. What among the following did your household incur expenditure yesterday and how much?

- Rent
- food and groceries
- clothing and footwear
- medicines and healthcare,
- school/college/tuition fees and education
- Fuel (petrol, diesel, CNG etc.)
- bills (water, electricity, LPG, internet, phone, etc.)
- travel and transport
- household appliances
- eating at/from restaurants
- entertainment and recreation
- Miscellaneous

II. Loan repayments and Savings

Loan Repayment

Q8. Did your household repay any loans yesterday?

Q8 a. How many loans did you repay yesterday?

Loan

a) What was the amount repaid?

b) What was the purpose for borrowing?

c) Whom did you borrow from?

d) Is this an interest-based loan?

e) What is the repayment frequency of this loan?

Savings

Q9. Did your household invest in any instruments yesterday?

Q9a. What among the following did you did you save or invest yesterday?

III. Time use

Q10. What time did you start your work yesterday?

Q11. What time did you end your work yesterday?

Q12. In between your work hours, approximately how many hours did you spend waiting for tasks?

Q13. In between your work hours, how much time did you spend on breakfast/lunch/snacks/restroom breaks?

Q14. In between your work hours, approximately how many hours did you spend on household work (child or elderly care, cooking, cleaning, dropping/picking up children etc.)

Appendix 3: Data Tables from the Baseline Interviews

A3.1 Platforms where the participants worked

Sl. No.	Platform	Number of participants ³⁴
1	Ola	7
2	Uber	6
3	Rapido	4
4	Swiggy	4
5	Zomato	4
6	Big Basket	3
7	Dunzo	8
8	Urban Company	3
9	Porter	3

A3.2 Years of experience in the platform economy

Years of experience	Number of participants
0 to 3 years	7
4 to 7 years	12
8 years and above	3

A3.3 Household size of the participants

Household size	Number of participants
2 members	2
3 members	4
4 members	8
5 members	5
6 members	3

A3.4 Contribution to household income

Earning contribution to the household	Number of participants
Sole earner	14
Primary earner	6
Secondary earner	2

³⁴ The total number of participants exceeds the diaries sample (22) since they were engaged in more than 1 platform at a given time.

A3.5 Previous employment history

Previous employment history	Number of participants
First job	4
Salaried employment	10
Driver	6
Self-employed	2

A3.6 Daily time-use on platforms

Platform Workers Segment	Average daily working duration (hours)	Average daily waiting time (hours)	Average daily break time for food and snacks (hours)
All workers	13.0	3.5	1.3
Food and grocery delivery worker	12.8	3.5	1.1
Auto-rickshaw driver	14.4	4.0	1.2
Cab driver	16.5	6.0	1.5
Professional services worker	9.3	1.3	1.7

A3.7 Gender disaggregated time-use on platforms

Gender of participants	Average number of hours worked on a workday	Time spent waiting for tasks	Time spent on food, snacks, break, etc
All male participants	13	3.55	1.275
Woman participant 1	17	3	1
Woman participant 2	10	1	1

A3.8 Platform income and work-related expenses

Platform Workers Segment	Average daily earnings from the platform	Average daily work-related expenses	Average daily net income [earnings – expenses]	Average monthly net income [daily net income x 30]
All workers	1,782	681	1,101	33,027
Food and grocery delivery worker	1,300	482	818	24,550
Auto-rickshaw driver	2,180	900	1,280	38,400
Cab driver	2,500	1,450	1,050	31,500
Professional services worker	2,567	600	1,967	59,000

A3.9 Detailed break-up of daily work-related expenses

Platform Workers Segment	Average daily work-related expenses (INR)	Fuel (INR)	Food, coffee, and snacks (INR)	Other items (INR)
All workers	681	467	200	14
Food and grocery delivery worker	482	333	147	2
Auto-rickshaw driver	900	660	240	0
Cab driver	1,450	1,250	200	0
Professional services worker	600	157	350	93

A3.10 Monthly and annual work-related expenses

Participants reported incurring certain expenditure such as recharging of their mobile phones, service and maintenance of their vehicle or equipment, about once or twice a month. They also spent once or twice annually on purchasing a new mobile phone or equipment, renewing their vehicle insurance, etc. These could be expected or unexpected. When they were expected, participants planned a financial strategy to manage the expense but found it difficult when they were unexpected, like their vehicles, equipment or phones breaking down, as they were critical to platform work.

Platform Workers Segment	Average monthly work-related expenses* (INR)	Average annual work-related expenses** (INR)
All workers	7,941	15,227
Food and grocery delivery worker	4,683	10,942
Auto-rickshaw driver	11,512	18,900
Cab driver	14,949	41,500
Professional services worker	10,351	8,733

*Monthly expenses can be vehicle maintenance, mobile recharge, etc.

** Annual expenses can be renewal of vehicle insurance, purchase of new mobile phone, etc.

A3.11 Payment frequency by the platforms

Frequency	Number of participants
Anytime	4
Daily	6
Daily on weekdays, weekends in one chunk	2
Thrice a week	4
Twice a week	1
Weekly	14
Once in ten days	2

A3.12 Perception of income volatility

It was a unanimous opinion among participants that their earnings seldom stayed proportionate to the time and effort they spent on platform work. When they were asked whether their earnings would stay the same or different during two different weeks if they spent the same time and effort, 82 per cent of them believed their earnings would be different.

Earnings for two weeks where same time and effort has been spent on the platform	Number of participants
Almost same	0
Somewhat same	4
Somewhat different	13
Very different	5

A3.13 Household income and expenses

Platform Workers Segment	Reported average monthly household income (INR)	Reported monthly expenditure (INR)
All workers	36,182	21,432
Food and grocery delivery worker	25,667	17,753
Auto-rickshaw driver	45,600	27,693
Cab driver	25,000	10,850
Professional services worker	70,000	25,433

A3.14 Detailed break-up of household expenditure

Platform Workers Segment	Rent (INR)	Groceries and other essentials (INR)	Loan commitments (INR)	Fuel, bills, and transportation (INR)	Monthly expenditure (INR)
All workers	6,100	5,543	7,815	1,974	21,432
Food and grocery delivery worker	6,375	4,218	5,214	1,945	17,753
Auto-rickshaw driver	6,250	6,800	12,533	2,110	27,693
Cab driver	4,500	5,000		1,350	10,850
Professional services worker	5,333	8,667	9,167	2,267	25,433

A3.15 Number of years participants plan to continue doing platform work

Number of future years in platform work	Number of participants
1 year	6
2 to 5 years	9
6 to 15 years	3
Lifelong	4

A3.16 Future after platform work

Alternative employment	Number of participants
Self-employed in business	13
Self-employed in agriculture	1
Salaried job	4
Driver	2

A3.17 Financial goals of the household

Financial Goal	Number of participants
Education of children	11
Purchasing an own house	9
Purchasing a site	5
Leasing a house	5
Marriage	2
Starting a business	3
Resolving land issue under litigation	1

A3.18 Urban income quintiles based on CPHS income data from November 2022

Urban Income Quintiles	Minimum Monthly Household Income	Maximum Monthly Household Income	Average Monthly Household Income
Quintile 1	0	13,400	9,866
Quintile 2	13,401	18,134	15,789
Quintile 3	18,135	25,000	21,507
Quintile 4	25,001	35,000	29,729
Quintile 5	35,001	32,32,000	55,588

Appendix 4: Data tables from the Financial Diaries

A4.1 Daily earnings of participants by platform segment

Platform Segment	Average Daily Platform Income (INR)	Average coefficient of variation in Platform Income
All workers	1,175	57%
Food and grocery delivery worker	912	44%
Cab driver	1,616	72%
Auto-rickshaw driver	1,377	66%
Professional services worker	1,555	80%

A4.2 Instances when participants and their households received alternative sources of income

Source of income	Number of instances
Personal Duty	27
Gift	20
Past loan repaid by friend/family	14
Income from another member of household	8
Other sources	3
Government Transfer	1
Private Transfer	0

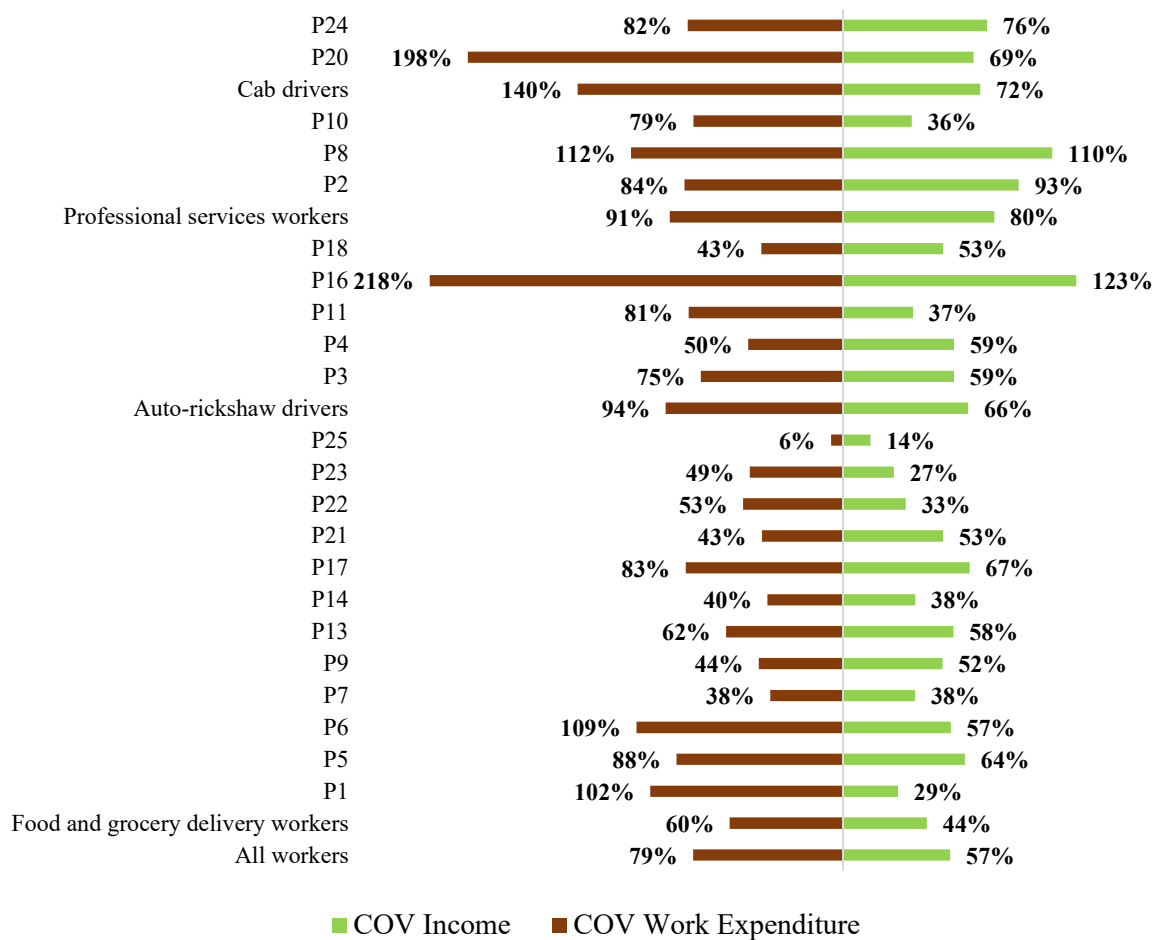
A4.3 Daily work-related expenditure of participants by platform segment

Platform Segment	Average Expenditure (INR)	Average co-efficient of variation in expenditure
All workers	667	79%
Food and grocery delivery worker	432	60%
Cab driver	1,713	140%
Auto-rickshaw driver	940	94%
Professional services worker	454	91%

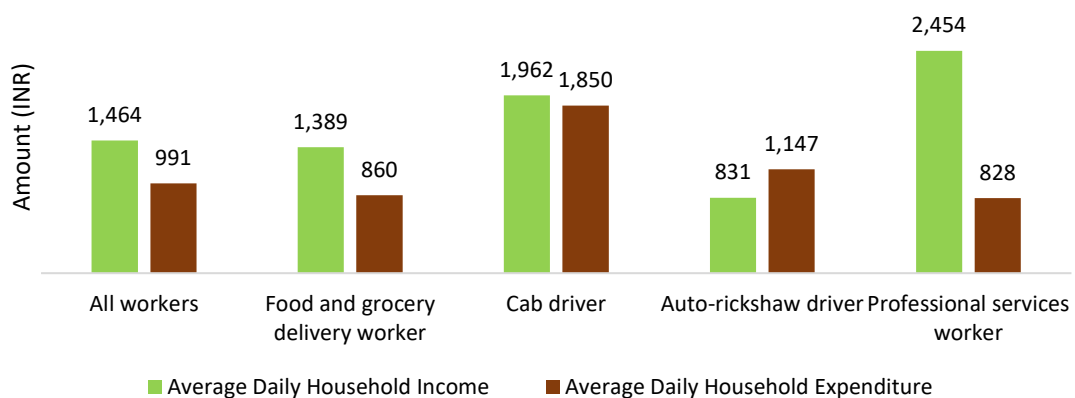
A4.4 Detailed break-up of expenditure of participants by platform segment

Platform Segment	Average daily expense on fuel (INR)	Average daily expense on food and snacks (INR)	Average daily expense on other items (INR)
All workers	350	154	499
Food and grocery delivery worker	266	125	264
Cab driver	853	231	325
Auto-rickshaw driver	529	199	1,110
Professional services worker	124	163	341

A4.5 Average per day income and expenditure volatility by participant and by segment



A4.6 Average daily household income and expenditure by platform segment



A4.7 Average household expenditure for different purposes during the diaries

Platform Segment	Average 14-day expenditure on					
	Rent	Food and groceries	Clothing and footwear	Health	Education	Fuel
All workers	1,977	2,543	631	507	509	505
Food and grocery delivery worker	1,375	2,215	623	314	0	133
Cab driver	4,500	3,725	1,450	0	0	3,550
Auto-rickshaw driver	2,200	3,066	0	1,296	2,240	460
Professional services worker	2,333	2,193	1,167	300	0	33

Platform Segment	14-day expenditure on				
	Bills*(water, electricity, LPG, internet etc.)	Travel and transport	Eating out	Recreation	Miscellaneous
All workers	937	217	620	393	4,446
Food and grocery delivery worker	852	258	152	196	5,925
Cab driver	850	625	3,900	0	1,750
Auto-rickshaw driver	871	28	386	650	3,260
Professional services worker	1,443	100	697	1,017	2,307

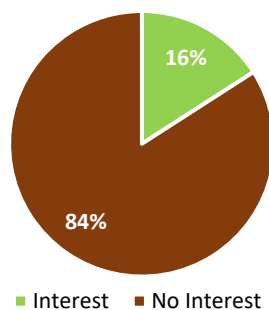
A4.8 Volume and frequency of savings by platform segment

Platform Segment	Number of times saved	Total Amount Saved
All workers	10	23,216
Food and grocery delivery worker	3	7,396
Cab driver	2	11,000
Auto-rickshaw driver	4	3,820
Professional services worker	1	1,000

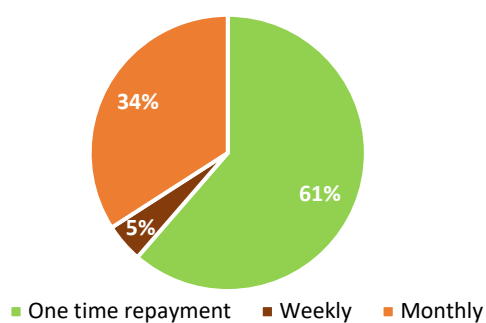
A4.9 Mode and frequency of saving observed during the diaries

Savings instrument	Number of instances
Saved in cash	6
Chit-fund	3
Life insurance premium (endowment)	1

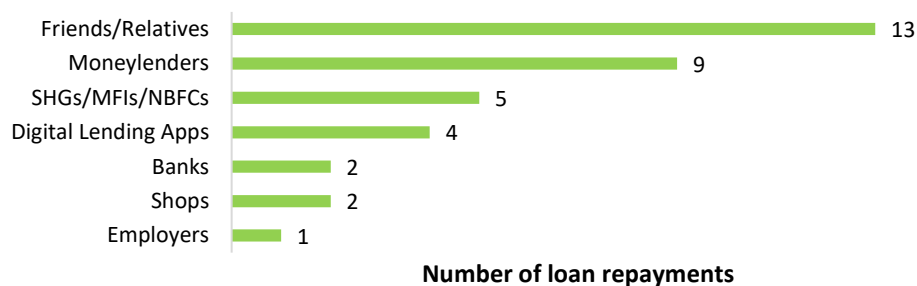
A4.10 Interest terms for loans borrowed during the diaries



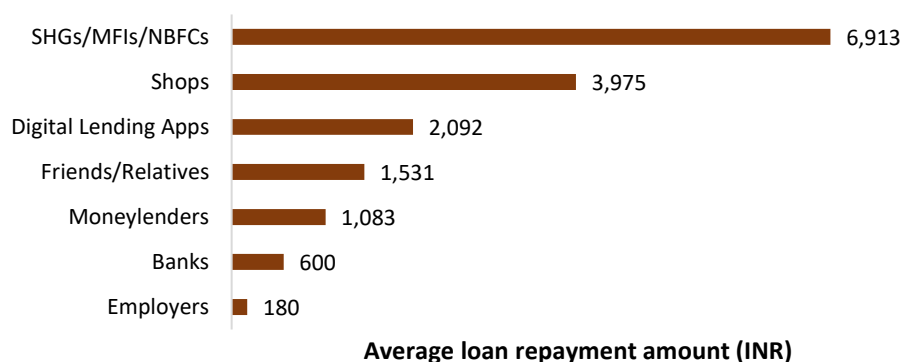
A4.11 Repayment frequency for loans borrowed during the diaries



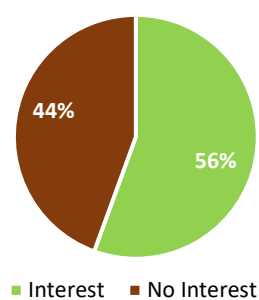
A4.12 Sources of outstanding loans repaid during the diaries



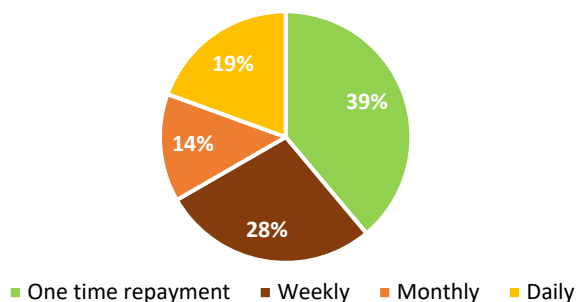
A4.13 Average instalment amount repaid by source of outstanding loan



A4.14 Interest component in outstanding loans repaid during the diaries



A4.15 Repayment frequency of outstanding loans repaid during the diaries



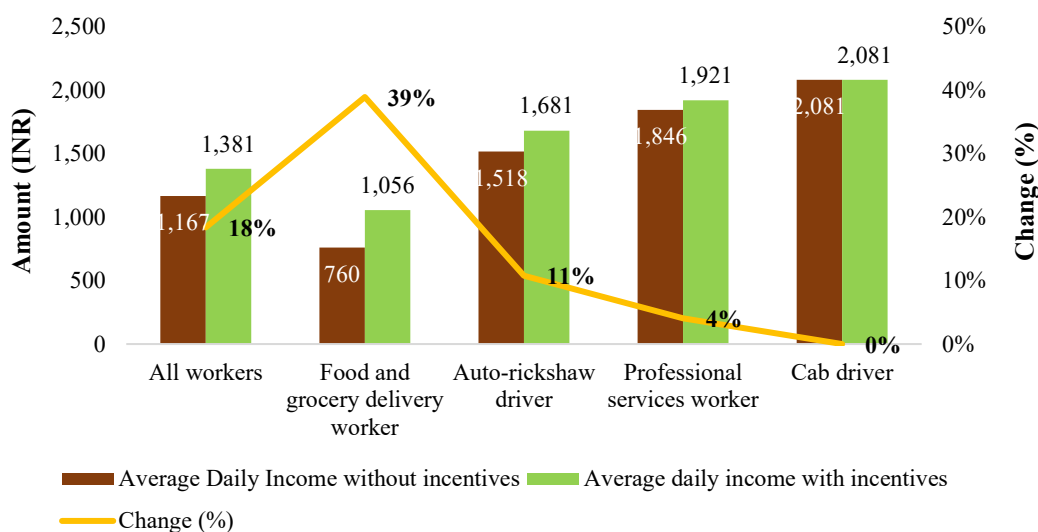
A4.16 World Bank poverty line calculations

World Bank Poverty Line (USD 2022)	India PPP* (2022)	World Bank Poverty Line (INR 2022)	Monthly Per capita Poverty Line (INR 2022)
2.15	24.06	51.73	1551.81
3.65	24.06	87.82	2634.46

*Source: [OECD](#)

Note: The poverty lines are defined per capita per day

A4.17 Platform earnings with and without incentives



Appendix 5: Semi-structured Questionnaire for the FGDs and Interviews

I. Personal and work demographic details

(Age, Gender, migration status, platform name, household details)

II. Motivations for entering the platform

- How did you start platform work?
- Why did you join? How did platforms convince you to join?
- How much did you think you could earn from doing platform work?
- If not for the platform work, what options would you have? Why did you not choose them?
- What was the recruitment process?

III. Time use

- What does a typical day look like for you? How many hours do you spend on platform work?
- What other work (income generating) do you do?
- How much flexibility do you think you have? Can you log off for any part of the day if you needed to?

IV. Income

- How much do you earn?
- What is the revenue model for the platform?
- Does this match what you were told when you signed up?
- What are your expenses (work, household, loan)

V. Reasons to stay on platform

- Are you satisfied with the platform work?
- Are you able to save money?
- Can you predict how much you will earn this week?
- Do you think you can meet your financial goals from this?

VI. Household income

- What is your household income? (Seasonal work, earning members)
- What is your income used for in the household?

Appendix 6: List of Platforms Covered in the Study

Platforms	Description
<u>Ride Hailing platforms</u>	Ride-hailing platforms provide cab and auto-rickshaw (three-wheeler) services to the customers. The compensation rate differs with the type of vehicle. As per NITI Aayog's report (2022), a large segment (1.3 million) of platform workers works in the ride-hailing sector.
a) Uber	An American transportation digital platform that mainly provides taxi, and recently two and three-wheeler vehicles where individuals can hail a ride in an app on their phone.
b) Ola	Indian multinational ride-sharing company
<u>Food and grocery delivery platforms</u>	Food and grocery delivery platforms provide hyperlocal deliveries between restaurants, grocery shops, and customers.
a) Big Basket	Indian based grocery delivery platform, founded in 2011.
b) Zomato	A multinational restaurant aggregator and food delivery company founded in 2008 in India.
c) Swiggy	Indian based platform that provides food ordering and delivery services. It was founded in 2014 with headquarters in Bengaluru, Karnataka.
d) Dunzo	Groceries and other supplies delivering platform, founded in 2014. It also has separate services to pick up and delivery packages within a city.
<u>Professional service platform</u>	Professional service providers help connect customers to specialized home-based service providers ranging from plumbing, electrical work, spa and beauty services, and deep cleaning.
a) Urban Company	Formerly called Urban Clap, the platform was founded in 2014. It is a multi-service platform that helps customers hire service professionals.

Appendix 7: Money Management Practices Adopted by Platform Workers

Money Management Practices	Examples from the study
Income shaping	<ul style="list-style-type: none"> - Shaping income by working longer hours when they aim to earn more, and vice-versa - Switching between platforms to maximise the income and changing the timeline of cashflow, even though it may not be profitable - Shaping incomes by taking on customer tasks outside of platforms
Liquidity farming	<ul style="list-style-type: none"> - Cultivating friendly relationships with other platform workers - Lending small ticket loans to other platform workers - Participating in chit-funds, that fosters financial interdependence - Fostering relationships with grocery shop owners to buy home essentials on credit
Spending routine	<ul style="list-style-type: none"> - Routinised payments like rent, electricity bills, chit fund - Preference of high frequency loan repayment cycle that can match their high frequency income
Spending triage	<ul style="list-style-type: none"> - Platform workers had a mental list of urgent items that were prioritised such as using cash for immediate urgent expenses – fuel, food etc. and prioritising money in bank for loans or other urgent expenses.
Animating money	<ul style="list-style-type: none"> - Treating their income as cash and bank account separately. Cash is preferred when they have more immediate expenses, while payments in bank account are considered as savings or progressively accumulate for big ticket expenses. - Using incentives for non-urgent expenses such as vehicle maintenance
Concentrating goals	<ul style="list-style-type: none"> - Fuzzy aspirational goals of platform workers were around enhancing quality of life, sending children to private school, starting a business. - Investing in gold as a proxy goal to move closer to the larger fuzzy goals