

# India: Ola, Uber strikes continue after CITU labour federation abandons workers

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**A second Ola and Uber strike in Chennai has ended unsuccessfully, after the CITU labour federation withdrew its support. Two smaller local unions are continuing to organise militant drivers. Across India, Ola and Uber drivers have held repeated strikes since 2015 when their income began to plummet. With CITU seemingly no longer willing and able to organise in the digital platform economy, drivers are developing new forms of organisation.**

Several thousand Ola and Uber drivers participated in the Chennai drivers' strike on June 21. The major demands of the drivers have remained the same since their successful strike in January this year - fare revision and reduction of the commission deducted from the fare.

Since several talks with the Transport Commissioner failed, two unions Urimai Kural and Vaazhurimai Sangam decided to announce an indefinite strike. A dialogue between an Ola official and union representatives of the two unions as well as CITU mediated by the Assistant Commissioner of Police failed to make any headway. Although CITU withdrew from the strike, Urimai Kural and Vaazhurimai Sangam decided to proceed with it.

When the leadership arrived at the Ola office and informed the members about the failed meeting, drivers attempted to gherao (block) the Ekkatuthangal main road. They were quickly taken away in the police vans and detained till about 10.30 pm at a nearby marriage hall. The police demanded that each person sign an undertaking that they will not protest before the Ola office henceforth. The drivers refused and dared the police to remand them. The police offered to obtain an appointment with the transport minister.

However, by the second day, with a marked disunity among the cab drivers' associations, the strike fizzled out. Unions called off their strike after the police promised to fix meetings with the Transport Minister and the Secretary.

These incidents should not be seen in isolation. They reflect a much larger, structural exploitation that needs immediate government intervention. Transport workers are the most visible, 'tip of the iceberg' in India's digital platform economy.

## **Update 26 March (The Wire Labour Bulletin, Ira Anjali Anwar)**

The Ola and Uber strike has been called off with a temporary truce. The strike which began in mid March gained traction in Mumbai with the support of the Raj Thackeray-led Maharashtra Navnirman Sena (MNS), reporting little impact in Bangalore, Delhi and Hyderabad. Even as an estimated 40,000 cabs were expected to be off the roads last Monday in Mumbai, many drivers across the country found themselves in a Catch 22 situation.

Though the strike has ended, the gravity of the demands that triggered the action in the first place,

remain as relevant as before.

The strike demanded better wages and the blacklisting of low-rated drivers (to reduce the onslaught of competition); all aimed at ensuring a stable income. Most drivers joined the cab aggregator companies under the assumption that they would earn an average of Rs 1 lakh a month, whereas over the past two years their earnings have been rapidly falling. Post Ola and Uber's commissions, they take a paltry Rs 20,000-30,000 a month, most of which goes in repaying their loans. Caught in debt, many drivers found it impossible to join the strike as they couldn't afford to lose even a day's earnings.

The MNS-led union called off the strike last Thursday claiming that it had received a 'positive' response from Uber officials. They were assured that their demands will be discussed and 'acknowledged' within 15 days. Yet, company spokespersons have been often quoted showing utter disregard for the plight of drivers, stating that the strike was a 'forceful' attempt by unions and external groups to demand more money. Government officials, policymakers and even the courts, too, largely seem indifferent to the drivers' plight.

While the popular media narrative has restricted this issue to cab-hailing companies, the problem lies with the very structure of such labour platforms that ignores the rightful obligations of the aggregator platform.

In 2016, a landmark judgment by a UK court recognised the legitimacy of Uber drivers' struggles as 'independent contractors', ruling that Uber was, in fact, the formal employer and should subsequently offer a national living wage; as did an earlier ruling by the California Labour Commission. Indian courts, on the other side, have described the job relationship between the cab platforms and drivers as 'purely contractual', siding with the cab aggregators as of April 2017. In May 2017, the Delhi commercial driver union had filed a petition in the Delhi high court seeking evaluation of their employment status and to consider them as employees of Ola and Uber and thus be entitled to receiving employee benefits under labour laws.

### **Precarious formality; a platform economy problem**

Across industrialised economies, the labour platform economy is increasingly being recognised as creating precarity and adversely impacting employment conditions. Yet, this narrative is underplayed in the Indian context due to the high incidence of informal employment and engagement in the unorganised sector. More than 90% of India's workforce is employed without written contracts, lacking job and income security or any form of social protection.

In this context, the technology-enabled platform economy has been celebrated for bringing a shift from informal to formal employment. And it's not just cab-hailing platforms, more than 270 home service-based platforms have cropped up in the past 5-6 years, according to startup industry tracker Tracxn. Most service providers on these platforms; domestic workers, along with Ola and Uber drivers, work on informal terms prior to their engagement with the platform.

These platforms bring 'service providers' (ie; workers) on through contracts, facilitating access to formal banking and taxation mechanisms. However, such 'formalisation' is inherently a form of 'registration' rather than 'transformation'. In effect, such formalisation gives statutory bodies regulatory powers over these workers; the state can tax them, their earnings add to banks' financial assets and so forth without facilitating the most crucial provisions that underline formal employment, which is job and income security, any form of social security, paid leave, fixed work timings and so on.

Without these benefits, the condition of such workers has basically deteriorated, especially as they lack any kind of bargaining power. Incentives and other factors that determine their earnings are set by the platform without any prior consultation with workers. It is this information asymmetry and constantly fluctuating incentive design that forces Ola and Uber drivers to work an average of 12-16 hours a day. Extensive research on Uber's practice in the US has revealed the extent of psychological manipulation exercised by the platform, influencing drivers to work exhaustively often against their own interests. This reflects the exploitative potential of the gig economy in managing the 'freelancing' labour force and combining the forces of data analysis and behavioural science.

Ola and Uber are not exceptional when it comes to the possibility of worsening employment conditions. Registered as technology companies, a legal and policy lacuna enables the platform economy to function on precarity by passing on employer responsibilities and risks onto the shoulders of service providers. All this under the mask of micro-entrepreneurship.

### **The banner of micro-entrepreneurship**

Commenting on the increasing frequency of job losses and decreasing employment opportunities in India, railway minister Piyush Goyal thought micro-entrepreneurship was a good sign, and an indication of India's youth 'wanting to be entrepreneurs'. As though the word is invested with magical powers, transforming working class struggles to bourgeois dreams. The government's narrative around employment is heavily focused on entrepreneurship, passing on its own responsibilities of job creation onto the individual. Platforms, too, manage to evade their responsibilities as employers by legally naming their workers 'micro-entrepreneurs'.

The language of exploitation follows a curious path. In joining the platform, a worker is asked to believe that she is no longer an inferior employee but a 'partner' in this digital universe of equal opportunities. The word carries with it a sense of respect, a certain seductive prestige suggestive of social and financial success. If you work as an assistant in a beauty parlour or as someone's personal driver, now you are your 'own boss'. For a moment, this makes one settle in an illusion, convinced of a change in status and profits that seemingly flow along with such 'new opportunities'.

Labels such as 'partnership' and 'micro-entrepreneurship' are dangerous for the Indian economy, where more than 50% of the workforce is self-employed, as per official data. In the absence of regular job opportunities, entrepreneurship has proven to be a compulsion for many workers, street vendors, chaiwallahs, small shopkeepers, local carpenters and so on, who risk their savings or borrow money on interest rates they can't afford in the hope of earning a decent daily wage.

This is precisely what's happening to platform workers. The guise of micro-entrepreneurship hides the precarity of their work and the disproportional weight of risk (for example, car loans undertaken by Ola and Uber drivers). Alos, they are bereft of the crucial powers that define entrepreneurship, such as decision-making in terms of pricing, work timings, and review mechanisms that only cater to the customer.

An Accenture report predicts that India, along with the US and China, will lead the global digital platform economy by 2020 and the platform economy is expected to become one of the major sources of employment. If this is the case, it is imperative that the government regulate and standardise employment conditions and incentives across such labour platforms. Even as other service platforms such as Urbanclap, Zimber and Quikr are currently enjoying high demand and an initial increase in worker earnings, these conditions are unsustainable in the long run. As these businesses scale up with increasing profit margins and more service providers join the platform ecosystem, working conditions are unlikely to favour the 'micro-entrepreneurs'. It's a disappointing fairy tale, where the happy ending is not of equal rights and opportunities, but of a benevolent king

(read platform owner) who can exercise his discretion in awarding his generosity for 'good' (5-star review) citizens.

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**P.S.**

This article draws on several Wire reports, including:

<https://thewire.in/labour/ola-uber-and-the-precarious-future-of-blue-collar-platform-workers>

<https://thewire.in/labour/the-life-of-labour-garment-workers-protest-against-sexual-harassment-at-workplace>