
THE IMPACT OF AI ON LABOUR COMMODIFICATION IN GIG WORK: A NEW FRONTIER IN CAPITALISM

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ABSTRACT

The current labour market is influenced and dependent largely on artificial intelligence. The gig economy is going through a shift with the advancement of artificial intelligence. The paper particularly focusses on the implications of AI on the labour market for gig workers. The paper discusses both sides of the coin by including the positives and negatives. The paper highlights the underlying issue that comes with incorporating AI in the gig economy, i.e., imbalance of power, algorithmic control, and complications with usage.

Gig workers reliance on customer ratings raises questions about job quality and worker well-being. The paper presents the capitalist landscape and how it affects the gig economy. Artificial intelligence is leading to millions of jobs, but rapid automation leads to job loss. The paper discusses how AI strips gig workers autonomy by managing and extracting maximum from AI-driven platforms like Amazon, Uber, etc. Key Marxist theories are analysed, showcasing how AI has led to insecurity among workers while reinforcing capital control. Lastly, the research discusses ongoing debate regarding the future of work in an era completely reliant on AI and economic transformation.

Keywords: labour, artificial intelligence, gig workers, Karl Marx, gig economy

Introduction:

Who are gig workers?

The definition given according to Section 2(35) of the Code on Social Security defines gig worker as “a “person who performs, works, or participates in a work arrangement and earns from such activities outside of a traditional employer-employee relationship.”¹ It includes freelancers, workers who are employed on a contractual and project-based basis, and short-term work. The gig worker market is temporary, contractual basis for part-time roles.

The technology has advanced, making working from home convenient for workers. The rapid technological advancement society has led to a rise in the gig economy. The gig economy is rising in areas where there are minimal skill requirements. Gig workers are required and function in all areas of the modern.

Gig workers was a concept adopted from the west; in India, it is recognised as a free and flexible way of being.² Gig workers are more than often mistaken for unorganised workers, but that is not the case. Gig workers and unorganised workers are siblings but not identical twins. Gig workers in India rely on app-based work for their survival. In India, gig workers largely consist of platform workers, i.e., Uber, Zomato, Urban Clap, Amazon, etc. They are involved in menial tasks and require low levels of skill sets. In the year 2020-2021, there existed 77 lakh gig workers, constituting 1.5% of the workforce in India, as stated by the Boston Consultancy Group. They were expected to have the rise of 4.1% of the total workforce in India in 2029-2030. There are 47% medium skilled gig workers, 22% high-skilled gig workers, and 31% low-skilled gig workers. The gig economy is a large contributor to India’s economy³.

But there exists alarming concern regarding the working conditions, legislation, social security, and regulatory challenges in India. The reasons for the sudden growth in the gig economy are listed below:

¹ India code: Code on Social Security, 2020. (n.d.). India Code.
https://www.indiacode.nic.in/handle/123456789/16823?view_type=browse

² Manupatra. (n.d.). Articles – Manupatra.
<https://articles.manupatra.com/article-details/WORKERS-RIGHTS-IN-GIG-ECONOMY-LEGAL-FRAMEWORKAND-CHALLENGES>

³ NITI Aayog launches report on India's gig and platform economy. (n.d.). Press Information Bureau.
<https://pib.gov.in/PressReleasePage.aspx?PRID=1837277>

- There exist 936 Internet users in India, with an increase in digital penetration through its smartphone accessibility of 650 million users.
- The theory of moonlighting is growing in India. The youth population prefers having flexible hours and freelancing other than the traditional 9-5 job.
- With a growing population, there also exists an increase in unemployment and economic disparities.
- The rising inflation pushes individuals towards low-paying jobs with low levels of skills.

Though the gig workers enjoy flexible working hours and opportunities and showcase their abilities and work towards income, they lack social security, fixed income, health insurance, and retirement plans, leading to financial instability. In India, there exists a lack of legal provisions made for the protection of gig workers; even if they exist, they are not implemented well or at all.

Commodity & Labour Theory

Karl Marx, who studied the “struggle of the oppressed against the oppressors,” established the theory of commodity “A commodity is, in the first place, an object outside of us, a thing that, by its properties, satisfies human wants of some sort or another. The nature of such wants, whether, for instance, they spring from the stomach or from fancy, makes no difference. Neither are we here concerned to know how the object satisfies these wants, whether directly as a means of subsistence or indirectly as a means of production.” With relation to gig workers, for example, Amazon, it is the worker who produces the object and invents it through himself for his wants and personal labour; then why is the bigger part of the income handed to the ‘bourgeois’ or the companies? Marx further covers the use value, exchange value, and labour value understood under the ‘commodity’. The commodity is a creation of human labour and has the character of human labour. The value of commodities is directly related to human labour. It is the human labour that creates and shapes the value of commodities. Individual and personal labour is separate from society.

Though there exist large AI-led or technologically advanced companies that hire gig workers,

the gig workers are proletariates and get something amounting to nil in profits. For example, the food delivery apps Ola, Uber, and gig workers rely on customer reviews. For Ola & Uber, gig workers as drivers have to work almost 24x7 just to make ends meet, out of which more than half their income goes into petrol, vehicle management, etc. All profits gained by these top companies are due to the “exploitation of labour” of gig workers. The introduction of machines only benefits and profits the individual entrepreneur.⁴ If AI-developed/technologically advanced companies cannot assure existence to their workers, then they will soon collapse, and the ‘capitalist’ class will become ‘unfit to rule’ due to incompetency.

Gig workers are at a disadvantage as there is no ‘point of production’ leading to having no physical workplace. They are constantly on the run, making it difficult for unionisation and collective resistance.⁵ There exists mentoring, facilitating, rating, assessing management, and managing customers. Emotional labour is crucial in the gig economy to meet customer expectations and for positive assessment by AI-driven metrics. There exists AI-managed control over gig workers, creating a competitive environment, leading to stress and pressure to perform on workers.

The rise of the AI-powered gig economy has intensified **precarity and labour exploitation**, as workers are not guaranteed stable employment, benefits, or consistent income. AI platforms like Uber and DoorDash use algorithms to distribute work efficiently, leading to inconsistent work schedules, fluctuating pay, and limited control over work conditions. Workers have little bargaining power, as they are treated as independent contractors, further exploitation. **Surplus value extraction** via AI in the gig economy is amplified through increased productivity, data-driven surplus, and task fragmentation. This exploitation of workers is a key critique of capitalism and highlights the need for a more equitable and just system for the gig economy.

AI is accelerating the **alienation of labour** in the gig economy by automating decision-making processes and reducing workers to data points managed by algorithms. According to Marx's theory, alienation occurs when workers are separated from their labour, the labour process,

⁴ Das Kapital. (1998, July 20). Encyclopedia Britannica. <https://www.britannica.com/topic/Das-Kapital>

⁵ Gandini, A. (Accepted/In press). Labour process theory and the gig economy. HUMAN RELATIONS. <http://journals.sagepub.com/home/hum>

other workers, and their own humanity. AI-powered gig workers often experience isolation, loss of autonomy, and isolation, which further alienates them from each other.⁶

Gig economy platforms use AI to efficiently manage large numbers of workers, tasks, and data, often at the expense of workers. AI algorithms govern work assignments, customer ratings, and performance evaluations, leaving little room for workers to challenge decisions or have autonomy over their work schedules. Data is often exploited by platforms, and workers are sidelined in favour of efficiency and profit maximisation.

Worker cooperatives represent a potential form of resistance and an alternative to capitalist control of gig work. In such cooperatives, workers collectively own and control the platform, making decisions democratically and sharing profits. Collective ownership allows workers to implement fair work practices and set reasonable pay, while democratic algorithm design ensures fair and transparent processes.

The future of gig work presents both risks and possibilities, including increased automation, worker empowerment, and a deepening of inequality. As workers become more aware of their exploitation through AI, new forms of resistance may emerge, including collective bargaining, labour strikes, and demands for algorithmic transparency.

There exists a feedback system, ranking system, reputational score (Upwork and Uber), performance metric, and gamification elements that influence and affect the gig workers' emotional and physical aspects. Apps, or platform-based gig workers, face several issues just to make ends meet.

1) Pressure to Perform

Under the feedback system, there exists a high-pressure environment to meet and excel client expectations and needs. The need for positive and good ratings leads to anxiety and stress in search of high ratings and reputations. Feedback is a way of controlling the workers under the company through regular checks on their performance. There exist several ways in which the

⁶ Economic manuscripts: Capital: Volume one. (n.d.). Marxists Internet Archive. <https://www.marxists.org/archive/marx/works/1867-c1/>

top companies control their workers and their performance, through leaderboards, level-up badges, and customer ratings.

2) Emotional Regulation

Workers also have to manage their emotions to appear to be ‘friendly, accommodating, and professional.

The constant tab on the gig workers and their performance can lead to emotional dissonance.

3) Accidents

In order to be ‘on time’ and to be able to get the satisfaction of the client, the gig workers more than often speed or use dangerous roads to drive. For cab and auto drivers, working non-stop and late nights without any sleep can also lead to accidents. For example, Swiggy drivers in India showcase a specific amount of time that the swiggy driver is to take to deliver the food to the customer's house; if the time duration or limit is not met, they get low ratings and poor feedback.

“Even as instances of abuse and discrimination against platform workers have surfaced this year, the legal landscape of the platform economy in India remains largely unchanged.”

Amazon Flex: Case Study

Amazon has designed a 30-day “**Delivery Premier League**” (DPL) for its part-time hires under the Amazon Flex program. Each hour spent on the platform collecting packages from mini-warehouses and delivering them to customers’ homes constitutes a “run”—a unit of scoring in cricket. The more hours spent delivering, the more runs riders accumulate, ultimately resulting in rewards such as smartphones, motorcycles, televisions, and Amazon gift cards. The rewards are offered in addition to the flat 125 rupees (about \$2) paid per hour.⁷

Even during rain and festivals, gig workers are expected to work. They are lured with the idea of more money. E-commerce giants Amazon and rival Walmart's majority-owned Flipkart

⁷ India wants to make influencers register with the government. (2024, August 12). Rest of World. <https://restofworld.org/2024/india-influencers-news-broadcasters-2024-bill/>

compete for the same pool of labour, so how they attract, engage, and retain labour supply during this festive period is critical to their success.

Amazon Flex was an opportunity made for part-time employees who wanted to earn some extra cash through deliveries. The Amazon Flex's target audience was students and homemakers; it was to be able to make one-day deliveries. Amazon Flex is functioning in 65 cities across India. It pays 140 rupees per hour to each individual. Amazon Flex, though it may have established good ideologies, has sadly taken a dark turn. Amazon Flex still remains and continues to lure poor, unskilled workers who will go through any extent to be able to earn some little cash. Amazon Flex targets these people, who are in urgent need of money, to make their quick and fast delivery happen.

They lure the workers to work during festive periods through their leaderboard, rewards, points, and vouchers. Festive period is the time when most of the deliveries take place, requiring more gig workers. The blue-collar labour is something that continues to stay central to the gig workers.

The Urban Company blocks the ID and does not give the required income deserved to the employee as they had not completed the monthly target of 40 clients. Urban Company is an app-based home service platform in India. Gig workers remain undocumented and unrecognised. Ola, Uber, and Swiggy always provide rough data and never proper reliable data regarding their working. There are 41 percent of cab drivers and 48 percent of delivery persons who reported an inability to take even a single day off in a week⁸ The 'prisoner on wheels' was a survey conducted that highlighted that 83% of cab drivers worked for more than 10 hours a day for an earning that was below the basic pay scale.

The Fair Work India Report:

The Fair Work India Report investigates several e-platforms like Zomato, Swiggy, etc. to draw conclusions regarding their treatment of work, fair contract, risk mitigation, management practices, etc.

⁸ Kumar, N. (2024, May 16). Regulatory framework and the protection of basic rights of gig workers. Bar and Bench - Indian Legal news. <https://www.barandbench.com/law-firms/view-point/regulatory-framework-and-the-protection-of-basic-rights-of-gig-workers>

The Fair Work India Report is based on five main principles:

- 1) Fair Pay
- 2) Fair Conditions
- 3) Fair Contracts
- 4) Fair Management
- 5) Fair Representation

Platforms like BigBasket, Flipkart, and Urban Company have been awarded points for fair pay, fair conditions, fair contracts, fair management, and representation through a collective body or trade union. Platforms like Amazon Flex, BigBasket, BluSmart, Flipkart, Swiggy, Urban Company, Uber, Zepto, and Zomato have been awarded points for providing adequate safety equipment and periodic safety training to their workers. They have also been awarded points for ensuring accessibility and comprehensibility of their contracts, adopting a code of conduct for their subcontractors, and making pricing variables transparent. They have also been awarded points for fair management, providing due process in decisions affecting workers, and channels for workers to appeal disciplinary actions. Despite the rise in platform worker collectivisation across the country, no platform has shown a willingness to recognise a collective body of workers, resulting in no platform being awarded a point for fair representation this year. Bigbasket was at the top with a rank of 6/10, while Uber, Ola, Amazon Flex, Dunzo, and Porter were at the last with a rank of 0-1/10.

Legislation for Gig Workers:

Platform India aims to accelerate platformization by simplification, funding support, skill development, and social financial inclusion. It will permit ferries for hire in all categories and link self-employed individuals selling regional and rural cuisine to platforms. Access to institutional credit will be enhanced through financial products designed for platform workers and those interested in setting up their own platforms. FinTech and platform businesses can provide cash flow-based loans to workers, catering to the needs of those new to credit. Special emphasis should be placed on access to formal credit for women and persons with disabilities (PwDs). Platform-led models of skilling and job creation should be promoted, with

collaborations with the Ministry of Skill Development and Entrepreneurship and the National Skill Development Corporation. Platforms can also create potential "Skill Certificates" or "Skill Passports" for workers, enabling better career progression. The potential and impact of platform-led skilling may be included in India's National Skill Development Policy. Social inclusion in the new-age digital economy will be emphasised through gender sensitisation, inclusive communication systems, and increased social security for gig and platform workers.⁹

The study report discusses social protection measures for gig and platform workers globally, focussing on India. It suggests that platforms should adopt measures such as paid sick leave, health access, and insurance as part of their workplace policies for all workers they engage with. Occupational disease and work accident insurance could also be offered to all platform workers across India, in collaboration with the private sector or government. Retirement/pension plans and other contingency benefits should be offered to gig and platform firms. Income support should be provided to workers in situations of irregularity of work. Platforms should also support small businesses and entrepreneurs associated with them, such as extending interest-free business advances and delayed payback periods. Contingency cover out of a corpus fund could also be offered to gig and platform workers in case of contingencies. The RAISE framework for operationalising the **Code on Social Security (CoSS) 2020** could be adopted to ensure full access to social security.

The **NITI Aayog** has estimated that there are 23.5 million gig workers by 2029-30, based on various factors such as job-type mapping, interviews with large corporations and MSMEs, surveys of urban households, and insights from industry experts. However, the reliability of these estimates is questionable, as gig workers are not immediately plugged into the provident fund system and do not enjoy such benefits.

The lack of access to formal sector social security programs for gig workers is a significant issue. The government's **Code on Social Security, 2020**, advocates providing social security benefits to all employees and workers, including gig workers. However, data collection on gig workers is not yet operationalised across states.

The Bharatiya Janata Party (BJP) has pledged to assist in onboarding gig workers onto the e-

⁹ (n.d.). https://www.niti.gov.in/sites/default/files/2022-06/Policy_Brief_India%27s_Booming_Gig_and_Platform_Economy_27062022.pdf

Shram portal, which aims to create a national database for unorganised workers and extend benefits of government schemes. The Indian National Congress (INC) also made a poll promise to provide comprehensive social security cover for gig workers, similar to the **Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act**. However, data on registered gig workers is not available in the public domain.¹⁰

The lack of public availability of data on gig workers impacts marginalised sections the most, making it challenging to implement tailored policies and programs for specific groups like women, individuals with disabilities, or non-heterosexual people. For example, ride-hailing gig platforms like Ola, Uber, Rapido, and BluSmart often lack information about the percentage of women riders, which can lead to a lack of awareness and support for these groups.¹¹ In conclusion, the lack of public availability of data on gig workers is a significant challenge for the Indian gig economy.

The Code on Social Security, 2020, is one of four labour rules implemented in India to aid workers in the informal sector. It distinguishes three types of workers: unorganised, self-employed, and platform workers. **The National Social Security Board** is established to recommend appropriate schemes for unorganised workers. The Industrial Relations Code of 2020 streamlines and harmonises India's industrial relations system by governing employment, firing, layoffs, strikes, lockouts, collective bargaining, union registration, and dispute resolution. However, gig and platform workers are not afforded the same rights and protections as regular employees. Recent legislative attempts, such as the Code on Wages, 2019, and the Code on Social Security 2020, try to establish safeguards for freelance workers; nevertheless, these provisions are inconsistently applied due to the changing nature of law.¹²

The **Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023**, aims to establish a platform-based gig workers' welfare board to oversee mandatory registration of all digital intermediaries operating in the state, all platform workers working for them, and every transaction that takes place on the platforms. Karnataka announced the provision of

¹⁰ The law for gig-workers in India. (2022, March 21). Nyaaya. <https://nyaaya.org/guest-blog/the-law-for-gig-workers-in-india/>

¹¹ Singh, A. (2024, June 21). India's gig workers remain undocumented, unprotected. IndiaSpend: Data journalism, analysis on Indian economy, education, healthcare, agriculture, politics. <https://www.indiaspend.com/welfare/indias-gig-workers-remain-undocumented-unprotected-912846>

¹² Kumar, N. (2024, May 16). Regulatory framework and the protection of basic rights of gig workers. Bar and Bench - Indian Legal news. <https://www.barandbench.com/law-firms/view-point/regulatory-framework-and-the-protection-of-basic-rights-of-gig-workers>

accident and health insurance to all platform workers in the state. However, the more things change, the more they stay the same. In the Fairwork India 2022 report, 12 platforms scored 30 points out of a possible 120, indicating modest improvements in policies and practices. However, there are two caveats: BluSmart replaced PharmEasy, which scored 0/10 last year, and no platform earned a point for ensuring workers earn a living wage or having provisions in place for fair representation. Platforms have also argued that conceding the right to collective bargaining could lead to trade unions becoming interlocutors, rendering the process 'political'. The inability to influence how platforms address issues that concern workers has contributed to alienation or estrangement, which takes at least three forms: relation of labour to the act of production within the labour process, pitting worker against worker, and relation of labour to its product.¹³

Way Forward:

Governments and policymakers must develop regulations to address the challenges posed by AI in the gig economy, including fair wages, job security, and worker benefits. Supporting worker-owned cooperatives can provide a viable alternative to exploitative platforms. Increased transparency in AI algorithms used by gig platforms can mitigate the risk of bias and exploitation. Investing in worker education and skills development can empower workers to advocate for better conditions and resist exploitation. Building strong labour movements that address the specific needs of gig workers and collaborating with traditional labour unions can amplify efforts. Continued research into the impacts of AI on gig labour and labour exploitation is crucial for addressing these issues.

Conclusion:

The gig economy, powered by AI, is a new frontier in labour dynamics, exacerbated by the intensified precarity, exploitation, and alienation experienced by gig workers. Surplus value extraction has become more efficient, with platforms maximising profits while workers face unstable conditions. However, the rise of AI also presents opportunities for transformation, with worker cooperatives offering a promising alternative. These cooperatives could reclaim ownership of platforms, leverage AI to enhance welfare, and ensure a more equitable distribution of profits. The future of gig work is uncertain, but significant changes are needed

¹³ (n.d.).<https://fair.work/wp-content/uploads/sites/17/2023/10/Fairwork-India-Ratings-2023-English.pdf>

to address deepening inequalities and marginalization. Resistance and collective action are critical in reshaping labour structures and ensuring technology serves the interests of all workers. The future of the gig economy depends on how technology is managed and harnessed to benefit workers, with regulatory measures, cooperative models, and worker empowerment contributing to a more equitable and just labour market.

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