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# NEED FOR CYBER-LABOUR CODE IN INDIA: A POLICY FRAMEWORK PROPOSAL

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## ABSTRACT

The digital revolution has literally changed the nature of work in India leading to platform-based jobs, remote working and algorithm-driven management systems which are not subject to the traditional labour laws. This paper will discuss why India desperately requires a coherent Cyber-Labour Code that would effectively deal with the specific issues of digital workers, meaning the participants of the gig economy, telecommuters, as well as platform-based service providers. Based on the review of the current legal frameworks, best practices in the international area, and the new trends in employment, this paper suggests a policy framework that would strike a balance between worker protection and innovation and economic development.

**Keywords:** Gig-Economy, Platform Workers, Cyber-Labour Code, Digital Labour Regulation, Remote Work India.

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## 1. Introduction

India is at a crossroad in the development of its labour laws. It is also true that the labour force in the country is becoming increasingly engaged in digital employment opportunities, which do not conform to the traditional employer-employee relations. Having more than 7.7 million gig employees in 2020-21 and estimates that this figure might double to 23.5 million in 2029-30,<sup>3</sup> the insufficiency of the current labour regulations has come into full view.<sup>4</sup> Consolidation 29 central labour laws into four labour codes between 2019 and 2020, including the Code on Wages, the Industrial Relations Code, the Social Security Code, and the Occupational Safety, Health and Working Conditions Code, was a major reform, but these codes were written with the traditional patterns of employment relationships in mind and lacked the ability to capture the realities of cyber-labour.<sup>5</sup>

COVID-19 increased digital transformation in the industries making remote work and platform-based service delivery normal.<sup>6</sup> Nonetheless, this has rapidly changed with some fatal weaknesses in the protection of workers, privacy, and accountability of the algorithm, and in cross-border employment regulations. Digital workers tend to have precarious working conditions, no social security, are under algorithmic surveillance and control and have little access to dispute resolution systems. All these difficulties give rise to the need of a specific legal framework that is able to consider the specifics of cyber-labour and provide basic rights and safeguards.

The article contends that there should be a formulation of an all-encompassing Cyber-Labour Code, which will incorporate the following aspects: clarity of definition in relation to digital workers and digital platforms, the portability of social security and benefits, transparency and fairness in algorithm development, data protection and privacy rights, regulation of employment across borders, collective bargaining, and dispute resolution mechanisms. Based on the analysis of international precedents and the unique socio-economic circumstances of India, the paper shall present a balanced approach to policy that ensures inclusive development

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<sup>3</sup> NITI Aayog, "India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work" (June 2022)

<sup>4</sup> Ministry of Labour and Employment, Government of India, "Annual Report 2022-23," pp. 45-48,

<sup>5</sup> The Code on Wages, 2019 (No. 29 of 2019); The Industrial Relations Code, 2020 (No. 35 of 2020); The Code on Social Security, 2020 (No. 36 of 2020); The Occupational Safety, Health and Working Conditions Code, 2020 (No. 37 of 2020), Government of India.

<sup>6</sup> McKinsey Global Institute, "The Future of Work in India: Employment, Skills and Income" (November 2020); International Labour Organization, "COVID-19 and the World of Work: Impact and Policy Responses in India" (ILO Brief, April 2020).

but safeguards the rights of the workers in the digital economy.

## 2. The Indian Changing Landscape of Work.

### A. Platform Work and the Rise of the Gig Economy.

Ride-hailing, food delivery, e-commerce logistics, freelance professional services, and content creation are some of the areas in the gig economy that have been growing exponentially in India. Such companies as Ola, Uber, Swiggy, Zomato, Urban Company, and many other freelance platforms have not only provided millions with employment opportunities, but also avoided paying attention to the minimum wage, paying social contributions, and establishing working conditions as an employee.<sup>7</sup>

Strengths of platform work are that it is flexible, easy to enter and supplements income. But in many cases this flexibility may be made at the expense of earnings stability, job security and benefits. Platform workers are often forced to work long hours to fulfill earnings mandates, cannot be algorithmically punished by cancelling or low rating, must bear the operational expenses to maintain their vehicles and fuel, and have no redressal mechanism of grievances. The asymmetry of power between platforms and workers is especially significant, where unilateral modifications to the pricing algorithms, commission forms, and conditions of service impact the earnings of the workers in unconsulted and low visibility ways.<sup>8</sup>

### B. Distanced Work and Cyberspace Employment.

Remote work has led to the emergence of the new type of cyber-labour that involves the employment relations that are location-independent. Digital communication technologies allow Indian professionals to work at home or in a co-working facility, either in employing domestic or international employers. Such a change attracts complicated questions of jurisdiction, relevant labour legislation, working hours and health-related rules regarding remote digital workplaces.

The remote workers experience special problems such as digital monitoring and tracking of productivity, a lack of boundaries between professional and personal life, ergonomic and

<sup>7</sup> K.P. Krishnan & Ravi Shankar Chaturvedi, "Emerging Forms of Work in the Platform Economy: A Comparative Analysis of Ola and Uber Drivers in Bangalore," *Indian Journal of Labour Economics* 64, no. 2 (2021): 385-404.

<sup>8</sup> Shyam Sundar K.R., "Platform Work in India: An Emerging Form of Employment," *The Indian Journal of Industrial Relations* 56, no. 4 (April 2021): 623-638.

psychological health problems, isolation and a loss of the collective structure, and ambiguous policies regarding reimbursement of expenses. Lack of regulation policies concerning rights to work remotely and employer rights has provided legal ambiguity and susceptibility to exploitation.

### **C. Algorithmic Management and Artificial Intelligence.**

The most unique aspect of cyber-labour, perhaps, is the use of algorithmic management systems, giving tasks, performance metrics and compensation rates, and making employment decisions, without much human intervention and negotiation.<sup>9</sup> The algorithmic management brings issues of fairness, discrimination, transparency, as well as worker autonomy that was not the concern of the traditional labour laws.<sup>10</sup>

## **3. Weaknesses of the Current Legal System.**

### **A. Classification Problems and Employment Status.**

The Indian labour laws are mainly designed in such a way that they espouse the conventional employer-employee relation that is defined by subordination, control and integration. The difference between the terms employee and independent contractor decides whether the individual will be entitled to access to the statutory benefits and protections. Platform companies capitalize on this binary division, assigning workers the role of independent contractors, yet providing a high level of control over their work through algorithmic control, pricing decisions, and task monitoring. Human Platform companies take advantage of this binary division and put workers into the category of independent contractors, yet, they exercise high control over the work that is carried out by workers.<sup>11</sup>

The new Social Security Code, 2020, added the category of "gig workers" and "platform workers" as a step in the right direction,<sup>12</sup> but the provisions of this Code limited to social security benefits and nothing more, excluding addressing other important areas of the employment relationship such as minimum earnings guarantees, conditions at the workplace,

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<sup>9</sup> Janine Berg et al., "Digital Labour Platforms and the Future of Work: Towards Decent Work in the Online World," International Labour Organization (2018)

<sup>10</sup> Valerio De Stefano, "The Rise of the 'Just-in-Time Workforce': On-Demand Work, Crowd Work and Labour Protection in the 'Gig-Economy,'" *Comparative Labor Law & Policy Journal* 37, no. 3 (2016): 471-504.

<sup>11</sup> Pavan Srinath & Anirudh Burman, "Regulating Platform Work in India: Legal Ambiguities and the Need for Clarity," *Economic & Political Weekly* 56, no. 42 (2021): 47-53.

<sup>12</sup> The Code on Social Security, 2020, No. 36 of 2020, Chapter IX (India), sections 2(35) defining "gig worker" and 2(62) defining "platform worker."

and the right to collective bargaining. The fact that the Code depends on the implementation by the states and voluntary contributions to the platforms also makes the Code ineffective.<sup>13</sup>

### **B. Jurisdictional Problems and Cross-Boundary Practices.**

Digital work is not subject to geographical limits and this has brought about a state of jurisdiction challenges which the legal systems that are based on territorial boundaries cannot assume properly. Indian employees can offer their services to foreign clients via world-systems, which brings the question of whose country labour laws are applicable, the way conflict needs to be solved, and the process of enforcing a judgment internationally. Likewise, foreign platforms that do business in India usually purport to be immune to the Indian labour laws simply because they are registered overseas.

### **C. Gaps in Data Protection and Privacy.**

Digital employees create large volumes of data during the interactions between their platforms such as location tracking, communication history, performance, and personal data. This information would be very useful in optimizing the platform but would pose huge privacy issues. The Digital Personal Data Protection Act, 2023 in India gives a guideline of data protection, though it needs to be applied in terms of employment and in terms of algorithmic decision-making, this still needs to be clarified <sup>14</sup>.

Employees are frequently deprived of information about what data is being gathered, how it is utilized in algorithm management systems, whether it influences employment decision-making, and whether they have access, correction and deletion of data. The lack of special clauses on data protection in the workplace and the lack of transparency of algorithms in Indian legislation is a major loophole.<sup>15</sup>

### **D. Benefits Portability: Social Security.**

The existing social security schemes in India, such as the Employees Provident Fund, Employees State Insurance and maternity benefits are also based on the formal employment relations, and long-term employment in one company. Gig work is extremely temporary and

<sup>13</sup> Namita Wahi & Shreya Tripathy, "India's New Social Security Code: Implications for Platform Workers," *Economic & Political Weekly* 55, no. 47 (November 2020): 18-21.

<sup>14</sup> The Digital Personal Data Protection Act, 2023, No. 22 of 2023 (India)

<sup>15</sup> Rochelle D'Cunha & Smitha Krishna Prasad, "Data Privacy and Platform Workers in India: Emerging Concerns," *Journal of Law, Technology & Policy* 2022, no. 1 (2022): 87-109.

multi-platform, which therefore renders these schemes inaccessible or impractical among digital workers. Although the Social Security Code, 2020, reflects the vision of covering gig and platform workers under the social security, the specifics of the implementation are not clearly stated, and the schemes suggested do not seem to cover the dimensions of the multi-platform work patterns prevalent in the digital economy.

The absence of platform portability in terms of platform and employment structure creates discouragement on workers to change platform or seek alternative sources of income. This lowers the bargaining power of workers and efficiency of the labor markets.

#### **4. Comparative International Perspectives.**

##### **A. European Union Initiatives.**

The European Union has been on the leading front to devise the regulatory reactions to platform work. The proposed Platform Work Directive would create a legal presumption of employment of platform workers, make algorithmic disclosure and human overview of computer-generated choices, provide rights to information security, and impose information and consultation processes.<sup>16</sup>

Single EU member states have also passed specific regulations. The Rider Law of Spain assumes that food delivery workers are employees,<sup>17</sup> and France has given platform workers restricted collective bargaining rights under industry-specific agreements.<sup>18</sup> These strategies focus on the needs of workers and are sensitive to the fact that flexibility in regulations is necessary.

##### **B. United States Approaches**

The US is a more fragmented regulatory environment and there is a lot of variation among states. The Assembly Bill 5 (AB5) of California utilized the ABC test to define the worker status, which initially targeted gig workers before industry specific exceptions were established

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<sup>16</sup> European Commission, "Proposal for a Directive on Improving Working Conditions in Platform Work," COM(2021) 762 final (9 December 2021)

<sup>17</sup> Royal Decree-law 9/2021, of 11 May, amending the Workers' Statute approved by Royal Legislative Decree 2/2015, of 23 October, to guarantee labour rights of persons engaged in delivery in the field of digital platforms (Spain), BOE-A-2021-7840.

<sup>18</sup> Accord relatif aux plateformes de livraison de repas commandés par internet, Agreement No. 2021-01 (France, 2021); Célia Zolynski, "Platform Work in France: Towards a New Employment Status?" *Comparative Labor Law & Policy Journal* 42, no. 2 (2021): 325-346.

under the form of the Propositions 22,<sup>19</sup> which ensured that the gig workers enjoy some benefits such as minimum earnings and insurance cover without becoming employees.<sup>20</sup>

On the federal level, there remains a debate on the classification of workers under the fair labor standards act and the department of labor has come up with regulations that will further complicate the process of companies classifying workers as independent contractors.

### C. Lessons for India

Globally, it is evident that there are some key lessons that India can learn. To begin with, bright-line classification tests offer more certainty compared to multi-factor balancing strategies that bring about litigation and uncertainty. Second, it is possible to expand mandatory benefits and protections without always being fully employed and thus offer some intermediate degrees. Third, a digital labour system should also include algorithmic systems of transparency and accountability. Fourth, sectoral strategies can be required due to the variety of platform work provisions. Lastly, effective worker involvement in the design of regulations may lead to legitimacy and effectiveness.<sup>21</sup>

## 5. Cyber-Labour Proposed Code: Principle Elements.

### A. Definitional Framework and Classifying of Workers.

An effective Cyber-Labour Code should be based on precise definitions that reflect the digital work arrangements reality. There should be several types of digital workers identified in the Code:

1. **Platform Workers:** Workers who deliver services over digital platforms that algorithmically control the assignment of work, pricing or performance assessment, whether formally or otherwise. Ride-hailing drivers, delivery workers, freelancers working on task-based platforms, and home-based digital workers should also be in this definition.

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<sup>19</sup> California Assembly Bill No. 5 (AB5), Chapter 296, approved by Governor September 18, 2019, amending California Labor Code sections 3351, 2750.3, and adding section 2775.

<sup>20</sup> California Proposition 22, "Exempts App-Based Transportation and Delivery Companies from Providing Employee Benefits to Certain Drivers" (approved November 2020), codified at California Labor Code Division 4, Part 10.5.

<sup>21</sup> U.S. Department of Labor, "Employee or Independent Contractor Classification Under the Fair Labor Standards Act," 88 Fed. Reg. 1638 (proposed January 10, 2023); Benjamin Harris & Alan Krueger, "A Proposal for Modernizing Labor Laws for Twenty-First-Century Work: The 'Independent Worker,'" The Hamilton Project, Brookings Institution (December 2015).

**2. Remote Digital Employees:** Employees who are hired using conventional contracts yet work using digital technologies and remotely.

**3. Algorithmic Workers:** A worker who is algorithmically managed, monitored or that is decided based on work systems or algorithms of any type, irrespective of whether employment is platform-based or traditional.

The Code ought to create a rebuttable presumption of employment of platform workers that puts the onus on platforms to establish that workers are independent businesses. Some of the important considerations in this determination process should involve the level of algorithmic control, the freedom of pricing, the capability to employment by rivals and investment in the resources of the business. This model is based on the recommendations of the European Union that offers transparency with the possibility of a real entrepreneurial contract.

## **B. Minimum Standards and Work Conditions.**

The Cyber-Labour Code is to define minimum standards to which all the digital workers should adhere:

**Minimum Earnings:** The platforms will have to assure that the workers receive minimum wages during active working hours, and other wage during waiting time and expenses. The algorithmic pricing mechanisms are to be adjusted so that it allows reaching the minimum earnings at the conditions of reasonable working conditions.

**Working Time Protection:** There should be maximum working hour requirements, as well as a required rest requirement and weekly leave. The systems that can be put in place in platforms should be aimed at preventing excessive working hours and encouraging work life balance.

**Health and Safety:** Particular attention should be paid to occupational health hazards that the digital work is exposed to, such as ergonomic requirements of working remotely, mental health care services, coverage of work-related injuries irrespective of the location, and protection against harassment and violence.

**Operational Cost Sharing:** There must be clear guidelines to the sharing of work related cost such as vehicle maintenance, transportation worker fuel, data charges and equipment, insurance cover, and other operations costs that are required.

### C. Algorithmic Transparency and Accountability.

The unique aspect of the Cyber-Labour Code will be strong mechanisms of algorithmic management:

**Transparency Requirements:** The use of algorithmic management systems should be publicized in terms of their existence and nature, material issues affecting work distribution and prices, performance measurements and evaluation standards, and data gathering and use activities.

**Human Oversight:** Workers ought to be able to demand that prominent algorithmic decisions that impact their jobs or their remunerations be reviewed by a human, as well as how these decisions were made and be able to challenge and remedy false and defective information or unjust results.

**Anti-Discrimination Safeguards:** Algorithms should be periodically reviewed to include discrimination and other discriminatory effects. This should mandate platforms to perform impact assessment of new algorithmic tools prior to the deployment of new tools and also publish the results of the impact assessment.

**Worker Participation:** Consultation with worker representatives should be meaningful prior to important changes to the algorithmic management systems, and require advance notice and transition periods in the case of changes in earnings or working conditions.

### D. Social Security and Portability of Benefits.

The Cyber-Labour Code is supposed to create a special system of social security of platform workers:

**Universal Coverage:** Every digital worker must be encompassed under one social security system irrespective of platform affiliation or the type of employment.

**Portable Benefits:** Benefits are supposed to be earned in more than one platform and be available when an individual changes platforms or types of jobs. This will need a centralized database and a universal worker identification system.

**Shared Financing:** Workers, platforms, and government should contribute equally to social security, with the platforms contributing according to the income earned by workers on their

platform. Evasion with fragmentation of work to various platform entities with clear formulas should be avoided.

**Extensive Benefits:** Pension and retirement benefits, health benefits and medical care, disability and accident benefits, sick leaves, attending to children and family needs, as well as unemployment benefits should be provided by the system whenever an individual is not working.

#### **E. Worker Voice and Collective Bargaining.**

The conventional tools of collective bargaining are inappropriate to platform work because of its scatteredness and impermanence of the workforce and algorithmic mediation of management. As an alternative to the mechanisms, the Cyber-Labour Code must introduce:

**Digital Worker Associations:** Digital worker associations should be legally recognized and given rights to negotiate with workers, have access to worker contact information (with privacy protections), and also have protection against retaliation because of association work.

**Compulsory Consultation:** Workers councils or mechanisms of consultation should be made mandatory on such matters as major decisions impacting working conditions, pay plans and algorithm management system of the platform.

**Sectoral Bargaining:** Sectoral negotiations ought to be encouraged to create sector-based earning, working and compensation stipulations, wherein a competition to the low-end benefits is avoided between rival platforms.

**Right to Organize:** Workers must explicitly be safeguarded against being deactivated, assigned fewer tasks or being otherwise retaliated against due to organizing or pressuring better working or living conditions.

#### **F. Data Protection and Privacy Rights.**

Based on the overall data protection framework in India, employment specifications are to be added to the Cyber-Labour Code:

**Workers Data Rights:** The digital workers must have the right to access all the information gathered about them, comprehend how data is utilized as the basis of algorithmic decisions, amend false or incomplete data, and the portability of data to enable switching platforms.

**Purpose Limitation:** The collection of data relative to work should be confined to valid business purposes, and the surveillance practices that violate privacy or dignity need to be restricted.

**Protection of Sensitive Data:** The health information, biometric data, location tracking, and the content of communication should be given special treatment, and explicit consent must be obtained and strict necessity rules should be met.

**Limitations on Retention:** There must be a clear set of rules that cover the maximum length of time platforms can store worker data and demand a secure destruction of such data after a certain amount of time or an eventual end of relationship.

## **G. Dispute Resolution Mechanisms.**

To make the rights of the Cyber-Labour Code enforceable, there is a need to resolve disputes effectively:

**Platform-Level Mechanisms:** There should be open grievance redressal mechanisms with human contacts, open procedures and schedules, written decisions with explanations, and appeals available on all platforms.

**Specialized Tribunals:** Special cyber-labour tribunals ought to be created to have a specialization in the digital work matters, streamlined protocols in cases of emergent issues such as wrongful deactivation, mandate of granting an interim relief such as account reactivation, and the ability to audit algorithmic systems and platform data.

**Affordability:** Dispute resolution must be cheap and by online filing and virtual hearings, workers should have their fees waived and complex cases helped free by an attorney.

**Class Actions:** It should permit collective action to be taken on systemic problems concerning a large number of workers so that instances of repetitive grievances would be dealt with effectively.

## **H. International Labor Standards Act.**

The Cyber-Labor Code must cover the problem of jurisdiction:

**Territorial Scope:** It should be covered of all workers who offer services to users in India,

irrespective of the location of the platform, and workers in India irrespective of the location of the client.

**Platform Obligations:** Indian foreign platforms should be obliged to register and name local representatives, adhere to Indian labour standards in employees in India and place themselves under Indian jurisdiction to have their disagreements resolved.

**International Cooperation:** Code must support bilateral and multilateral agreements that would facilitate mutual recognition of standard, enforcement cooperation agreements and harmonisation of cross-border work regulations.

## I. Enforcement and Compliance.

Effective enforcement strategies are important:

**Regulatory Authority:** Implementation and compliance should be monitored by a specialised digital labour authority or increase the capacity of the existing labour departments with technical knowledge.

**Reporting Requirements:** Platforms are required to periodically provide reports regarding the number of workers, their payments, algorithmic management, and benefit payments.

**Penalties:** There should be significant penalties in case of violation such as fines equal to the revenue in case of serious or recurrent violation, suspension or operating licenses and compensation to the workers who are affected.

**The Whistleblower Protection:** Employees who report misconduct must not be retaliated against and the approach to whistleblowing should include confidentiality and rewards to report systemic problems.

## 6. Strategy of Implementation and Stakeholders.

### A. Phased Rollout

The introduction of an extensive Cyber-Labour Code must be carried out in stages so that it can be refined and changed accordingly:

**Phase 1:** Develop definition framework and registration standards of platforms, establishment of regulatory authority and enforcement framework, and basic transparency and data rights.

**Phase 2:** Implement minimum wages and occupational health standards, social security infrastructure and mechanisms of contributions, and systems of dispute resolution.

**Phase 3:** Introduce accountability requirements and auditing systems, reinforce collective bargaining systems, and create mechanisms of coordination across borders.

This has been achieved by the graduated approach which gives time to platforms to change business models, regulatory capacity to evolve, and through experience in implementation to refine the iterative approach.

## **B. Stakeholder Engagement**

The implementation will have to be conducted in a meaningful way with all the stakeholders:

**Worker Participation:** The digital workers and their new associations must be actively included in the regulation design, the implementation control and continuous improvement with the help of formal consultation.

**Platform Industry:** It is possible to engage platforms as partners and not adversaries to make compliance and innovation easier. The input of the industry regarding the implementation time schedules, technical feasibility and the impact on the operations needs to be taken into account without compromising the basic worker protection.

**Civil Society and Academia:** Research centers, advocacy groups and technical specialists may provide empirical data, international precedent, and policy search to build valuable regulation.

**Government Co-ordination:** This involves co-ordination of labor ministries, technology and telecommunications departments, social security institutions and state governments to ensure that they are all brought on board and there are no loopholes in regulations.

## **C. Economic Impact Considerations.**

Critics of the regulation of platform work tend to raise worries on the economic consequences such as higher costs and consumer prices, decreased platform competitiveness and innovation, and possible loss of jobs as platforms get out of the market or lower worker participation.

Nonetheless, there is some evidence that these fears are frequently exaggerated based on experience in jurisdictions that have deployed a platform work regulation. Well-developed

labour standards can facilitate sustainable platform economies by enhancing worker retention and productivity, service quality and customer satisfaction, equitable competition on the basis of service quality, as opposed to labour cost minimisation, and social legitimacy and mitigation of political risk. The calibration standards to trade off between protection and growth goals should be informed by economic modeling that is specific to the conditions of the Indian market.

## **7. Resolving Anticipated Challenges.**

### **A. Classification Resistance and Litigation.**

The platforms are bound to be unfriendly to employment classification and take lawsuits against regulatory actions. This should be foreseen in the Code by clear statutory wording that kept ambiguity to a minimum in interpretation, legislative findings about the rationale and constitutional underpinning, severability, providing that in case certain provisions are found unconstitutional, a part of the Code of Conduct should operate.

### **B. Technology Evasion**

Platforms can seek to evade control by using technical solutions like algorithm manipulation to conceal control but retain pragmatic power, moving to unregulated actors or jurisdictions, or fragmentation to avoid threshold conditions. The broad functional definitions reflect substantive reality rather than form, the anti-avoidance provisions with look through mechanisms and dynamic enforcement power to deal with new evasion strategies should be included in the Code.

### **C. Integration of the Informal Sector.**

The informal economy in India is so massive that it poses special problems to the regulation of cyber-labour. Most digital workers switch between the platform work formal and informal arrangements. The Code must establish feasible compliance measures that are applicable on small-scale platforms, establish incentive to formalization as opposed to punitive options, and permit flexibility of use that takes into consideration various economic settings and still uphold fundamental safeguards.

### **D. Technological Evolution**

The world may be changing swiftly in regards to technology and regulatory processes may fail

to keep up with the speed. The Code ought to have the provisions based on principles that are not subject to technological change, the regular review and update procedure with sunset clauses that would need a periodical revisit of the provisions, the regulatory sandboxes to experiment with new working pattern, and delegate the rule-making to specialized agencies.

## **8. Constitutional and Legal concerns.**

### **A. Legislative Competence**

In the Concurrent List of the Indian Constitution, labour is in the mire parliament and State Legislatures have a legislative power. Central legislation, such as the cyber-labour code, should be established in order to provide a standardized level in the country, especially with the national and international nature of platform work. States may add on to the overall protection but must not weaken the fundamental norms.

### **B. Compatibility of Fundamental Rights.**

The Code should be in harmony with the fundamental rights of the constitution such as the right to livelihood by Article 21, freedom of trade and occupation by Article 19 (1) (g) and equality and non-discrimination of Article 14-15. The Code must be presented as empowering but not limiting rights, securing the livelihoods and dignity of the workers and letting the business activities of the platform businesses operate within reasonable regulations in the interest of the common good.

### **C. Judicial Precedents.**

The decisions of the Indian judicial courts in the recent past offer certain guidance. The views of the Supreme Court on platform power and driver dependency in *Uber India Systems Pvt. Ltd. v. Competition Commission of India* (2021)<sup>22</sup> are in favor of protective regulation. The cases in which the State High Court ruled on the issue of minimum fare regulation of ride-hailing services create the basis on which platforms can be regulated in terms of prices to safeguard both employees and customers.<sup>23</sup>

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<sup>22</sup> *Uber India Systems Pvt. Ltd. v. Competition Commission of India*, Civil Appeal No. 2792 of 2021, Supreme Court of India (judgment dated 19 April 2021), (2021) 9 SCC 362. 

<sup>23</sup> *Anamika v. Union of India*, W.P.(C) 10605/2019 & connected matters, Delhi High Court (judgment dated 5 November 2020); *Uber India Systems Private Limited v. Government of Karnataka*, W.P. No. 17145/2017, Karnataka High Court (judgment dated 15 December 2020). 

## 9. Financing and Fiscal Implications

### A. Social Security Funding

The proposed social security system requires sustainable financing. Recommended contribution rates include 3-5% of earnings from platforms, 3-5% from workers, and supplementary government contributions particularly in initial years and for low-income workers. Progressive contribution structures can exempt or subsidize small-scale or low-earning workers while ensuring adequacy of benefits.

### B. Administrative Costs

Establishing regulatory infrastructure, dispute resolution mechanisms, and enforcement capacity requires significant investment. These costs should be partially offset through platform registration fees, penalties for violations, and potentially transaction levies. Long-term cost-benefit analysis should account for reduced social welfare burden as formal sector coverage expands.

### C. Economic Multiplier Effects

Investments in digital worker protection can generate positive economic returns through increased consumer spending power as worker incomes stabilize, enhanced human capital development and productivity, reduced healthcare and social welfare costs, and formalization benefits including expanded tax revenue. Economic modeling suggests that well-designed platform work regulation can be fiscally positive over medium to long term horizons.

## 10. Conclusion and Recommendations.

The Indian work is being digitally transformed that is becoming rapid and irreversible. It is the way that policymakers decide on how to effectively regulate cyber-labour by balancing between innovation and economic growth and fundamental rights and human dignity. The weaknesses of the current legal frameworks expose the millions of digital workers to precarious conditions, algorithmic regulation, and social insecurity. This is not economically sustainable and socially just.

The proposed Cyber-Labour Code is a complex policy design that will tackle the peculiarities of digital work and learn the experience of other countries at the same time taking into account

the peculiarities of the Indian context. Its five key pillars, namely clear worker categorization, minimum standards, algorithmic responsibility, portable social security, collective voice systems, data protection, and working enforcement, are building blocks of a fair digital economy.

It will demand political goodwill, cooperation of the stakeholders, and adaptable governance that can keep up with change in technology. The problems are considerable and overcome. The other option, which is letting the platform economy evolve unregulated, would result in the creation of a two-level labour market, which would eliminate the well-earned protections of workers and increase inequality.

### **Key Recommendations:**

**Short-term Solution:** Have a high-level committee to develop total Cyber-Labour Code legislation, based on multi-stakeholder contribution and global best practices.

**Institutional Development:** Establish digital labour authority that is both specialised and equipped with technical skills, enforcement authority and resource base.

**Pilot Programs:** Use specific pilot programs in particular industries or states to implement regulatory strategies before expanding to the rest of the country.

**Data and Research:** Invest in systematic data gathering on platform work conditions, earnings and social outcomes to make evidence-based policymaking.

**International Engagement:** Be an active participant on international forums that are coming up with cyber-labour standards and work towards bilateral agreements to take care of cross-border work.

**Ongoing Review:** Put in place systems of a periodic review and revision of cyber-labour laws to address the change in technology and markets.

**Workers Empowerment:** Strengthen support formation of digital worker associations and are resources to the education of workers about rights and organizing.

**Technology Solutions:** Use technology by itself to improve compliance and enforcement with automated reporting systems, portability of benefits based on blockchain technology, and digital dispute resolution websites.

The Indian workplace of the future is going to be more digital. The regulatory structure that is created and implemented in the present days will determine the nature of that future, be it full of decent work and shared prosperity or full of precarity and inequality. An inclusive and sustainable economic development must be a serious investment in a comprehensive Cyber-Labour Code. The time for action is now.