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# INDIA'S GIG ECONOMY: RIGHTS AND REFORMS FOR GIG WORKERS

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## ABSTRACT

The gig economy in India is a structural change in the way work is planned, performed, and paid; it is no longer a marginal phenomena. Platform workers are now the backbone of digital commerce and urban convenience, ranging from freelancing professionals to app-based drivers and food delivery riders. However, despite their increasing economic importance, these workers—who are trapped between employment and entrepreneurship—remain legally invisible. This essay analyzes India's gig and platform work legal framework, emphasizing the urgent need for reform and the flaws in the country's current labor laws.

Because it specifically recognizes gig and platform workers, the Social Security Code of 2020 is a historic law. However, in the absence of robust safeguards, acknowledgment may end up being merely a symbolic gesture. Despite having a progressive goal, the Code's provisions are hampered by imprecise definitions, weak enforcement, and a lack of institutional coherence. This essay makes the case that platform work's algorithmic control, economic reliance, and lack of bargaining power are not adequately represented by the current legal system. Millions of workers are thus still denied access to fundamental benefits like social security, minimum wages, and collective bargaining.

The study compares the legal advancements in several countries, including California, the United Kingdom, and the European Union, in order to fill these gaps. It looks at how legislators and courts around the world have struggled to define platform workers, control algorithmic management, and guarantee equitable working conditions. These international perspectives are contrasted with creative state-level programs in India, especially in Rajasthan and Karnataka, where digital transparency tools, welfare boards, and aggregator contributions present encouraging reform models.

Ultimately, this research reimagines the future of work in India—not as a race to deregulation, but as an opportunity to build inclusive, equitable, and rights-based digital labour ecosystems.

**Keywords:** Gig Economy, Platform Workers, Social Security Code 2020, Labour Law Reforms, Workers Rights.

### **Introduction:**

The gig economy is changing the world of work with the new labour market arrangement in which technology platforms act as middlemen between providers of services and consumers on a demand-led basis. Gig work is task-driven and flexible, as opposed to the conventional employment arrangements, and is mediated through digital apps that engage workers and customers in real-time matching. This revolution has happened with a stunning speed in India, with digitalisation, smartphone penetration, and urban consumption habits creating optimal terrain for delivery of services based on platforms. Players like Ola and Uber in transportation, Swiggy and Zomato in food delivery, Urban Company in home services, and an entire gamut of online freelance platforms in professional services have become a household name. Together, these sites have transformed the access to and delivery of services in urban India and generated new opportunity as well as new challenge.

Gig work in India plays a significant role in employment generation, especially at a time when the formal sector has struggled to absorb the expanding labour force. Millions of Indians, particularly young workers and migrants, now depend on gig work as either a primary or supplementary source of income. The promise of flexibility, autonomy, and low barriers to entry made gig workers more attractive, but at the same time, the vulnerabilities associated with such work have become increasingly evident. Gig workers are frequently excluded from statutory labour protections, as their legal classification as “independent contractors” rather than “employees” denies them access to rights such as minimum wage, paid leave, provident fund contributions, and health insurance. The COVID 19 pandemic where delivery workers delivered at the tuff times but at the same time they were not secured like they didn't have health benefits, Security. This made the urgent need of reforms for Gig workers.

India's legal framework for regulating labour has traditionally been premised on a two-sided model of the employer–employee relationship. But the two-sidedness has been insufficient to capture the intricate realities of platform work, where control and autonomy are intermixed in unexpected combinations. Platform workers often face algorithmic management, in which key aspects of their work—allocation of tasks, ratings, incentives, and even deactivation—are determined by opaque technological systems rather than direct human supervision. This unique

type of control raises basic questions of fairness, transparency, and due process, none of which the current statutes fully address. Consequently, gig workers fall into a legal gray area: they are neither treated as employees in the classical sense nor given full autonomy as independent entrepreneurs.

Internationally, such challenges have led to extensive judicial and legislative debate. The Supreme Court of the United Kingdom in *Uber v. Aslam* (2021) declared Uber drivers to be "workers" with rights to a minimum wage and paid leave and held that contractual label could not override the essential character of platform control. In the United States, the 2020 passage of Proposition 22 and subsequent 2024 reaffirmation in California guaranteed gig workers their independent contractor status with a mandatory limited range of benefits, establishing a third work type. At the European Union level, the 2024 Platform Work Directive introduced a rebuttable presumption of employment status and required transparency in algorithmic decision-making. These trends show that countries are experimenting with different models of law to balance the flexibility of gig work against the need for a minimum amount of protection.

In the case of India, the problem is less one of regulatory content than of labour law and constitutional values. The general challenge is how to balance the demands of innovation, efficiency, and market responsiveness on the one hand with the values of equality, dignity, and social justice on the other.

The gig economy is opportunity and peril: it can democratize access to earnings but also institutionalize precarity unless regulated. This duality makes it imperative to study the gig economy from a rights-based perspective, locating it within the constitutional commitment to social justice and the evolving jurisprudence on labour rights.

This paper therefore begins by defining key terms and clarifying the scope of analysis. The Code on Social Security, 2020, introduces specific definitions: a "gig worker" is a person who performs work outside the traditional employer–employee relationship, and a "platform worker" is one who undertakes such work using an online platform to access other organisations or individuals. These legislative definitions will form the basis to analyze the legal status of gig economy workers in India. The paper will then critically review the legislative responses of the central as well as the state governments, such as the Rajasthan Platform-based Gig Workers (Registration and Welfare) Act, 2023, and the Karnataka

Platform-based Gig Workers (Social Security and Welfare) Act, 2025. It will also place the Indian experience in comparative context by looking at global legal experiments. The relevance of this study lies in its attempt to bridge a significant gap in the discourse: how to design legal protections for a workforce that is neither fully formal nor entirely informal. As much as platform work creates economic value and aids in the generation of employment, at the same time it threatens the ability of conventional labour law structures to meet the challenge. The seriousness of the challenge is buttressed further by the very fast development of the sector, which is expected to represent more than 20 million workers in India by the close of this decade. Therefore, the analysis of the rights and status of gig workers is as much a labour law matter as it is a constitutional and human rights issue. Through the mapping of existing laws, the analysis of gaps, and the investigation of reform options, this paper aims to add to the ongoing discussion on how India can create both innovation and justice in its gig economy.

### **Statement of Problem**

The gig economy in India has rapidly expanded through ride-hailing, food delivery, freelancing, and e-commerce services. While it offers income and flexibility, gig workers remain outside traditional labour laws and are denied basic rights like minimum wages, social security, health benefits, and protection from arbitrary termination. This legal vacuum leaves them highly vulnerable despite their vital role in the economy.

Although the Code on Social Security, 2020, recognises gig and platform workers, its benefits remain largely unimplemented. Further, algorithmic control, unequal bargaining power, and the absence of collective representation deepen their precarity.

The current research paper examines the legal status of gig workers in India, focusing on collective bargaining, social security, and fair compensation. It seeks to make reform recommendations that protect workers' rights and guarantee the long-term viability of India's platform economy by examining legislation, court rulings, and global standards.

### **Research Questions**

1. What is the current legal status of gig and platform workers in India under existing labour laws?
2. How has the Code on Social Security, 2020, been implemented with respect to gig and

platform workers?

3. What are the key challenges gig workers face in terms of fair wages, access to social security, job stability, and working conditions?
4. How does algorithmic control and lack of bargaining power affect their autonomy and collective rights?
5. How have other countries, such as the EU, the USA, and Asian jurisdictions, regulated gig and platform work?

### **Significance of the Research**

This research holds significance as it addresses one of the most urgent questions in contemporary labour law: how to situate gig and platform workers within India's legal framework. The study examines state-level innovations in Rajasthan and Karnataka as well as statutory changes like the Social Security Code, 2020, to show the advancements and gaps in providing rights to gig workers.

The results are useful for developing policies as well as for scholarly research. They provide legislators, courts, and regulators with a comprehensive analysis of why gig workers remain recognised but unprotected, and what reforms are necessary to close this gap. In particular, the emphasis on gender-responsive provisions, algorithmic accountability, and constitutional values ensures that the research goes beyond a narrow legal-technical study and situates gig work within the broader goals of equality, dignity, and social justice. In doing so, the research contributes to the global conversation on the future of work while offering India-specific solutions that respond to its federal structure and socio-economic realities.

### **Scope and Limitations of the Research**

The scope of this research is focused on the legal status and protection of gig and platform workers in India, with particular attention to the framework provided under the Social Security Code, 2020 and relevant state-level initiatives. The study examines the position of gig workers under major labour statutes, analyses judicial responses, and considers constitutional implications. It also incorporates a comparative perspective by studying regulatory approaches in the European Union, United Kingdom, United States, and selected Asian jurisdictions,

thereby situating the Indian experience within global debates on gig work.

Nevertheless, there are some restrictions on the research. It is mostly doctrinal in character, depending less on substantial empirical evidence and more on statutory texts, case law, scholarly literature, and policy papers. Although reported earnings, registration statistics, and implementation issues are mentioned, primary fieldwork and gig worker interviews are not included in the study, which could have deepened the analysis. Additionally, due to the dynamic nature of platform activity, several of the legislative ideas and judicial amendments mentioned are still in the early phases of development, and their long-term impacts won't become apparent until later. Additionally, the comparative study is selective, concentrating on typical jurisdictions rather than thoroughly examining all international regulatory frameworks. These restrictions, however, do not lessen the significance of the main conclusions; rather, they draw attention to the necessity of more multidisciplinary studies that integrate sociological, legal, and economic viewpoints on the future of gig employment.

### **Research Objectives**

1. To examine the legal status of gig workers in India and identify the gaps in existing labour laws and policies.
2. To analyse the implementation of the Code on Social Security, 2020 and evaluate its effectiveness in extending protections to gig and platform workers.
3. To study the challenges faced by gig workers in terms of wages, social security, algorithmic control, and collective bargaining.
4. To compare international practices for regulating gig work and explore their relevance to the Indian context.
5. To recommend legal and policy reforms that balance flexibility in gig work with the need for security, dignity, and fairness.

**Research Methodology:** The present paper is based on a doctrinal method of research.

It primarily examines primary legal materials such as the *Code on Social Security, 2020* and other relevant labour legislations to understand the legal position of gig and platform workers

in India. Judicial decisions of the Supreme Court and High Courts are also analysed to assess how far the judiciary has extended labour rights to non-traditional workers. In addition, secondary sources, including books, journal articles, government reports, and publications by international organisations, are referred to for theoretical and policy perspectives.

The research also follows an analytical method, where the focus is on evaluating the adequacy of the existing framework and identifying loopholes and inconsistencies in law and practice. The study considers constitutional principles such as equality, social justice, and the right to livelihood in order to test whether gig workers are sufficiently protected. This method enables the work to move beyond description and provide reasoned suggestions for reform.

## **Literature Review**

### **I. Primary Sources**

#### **Statutes**

The Code on Social Security, 2020, is the first Indian legislation to expressly define gig workers and platform workers. Section 2(35) defines a gig worker as one who engages in work outside of a traditional employer–employee relationship, while Section 2(60) identifies platform workers as those earning from arrangements mediated by online platforms. The Code does not grant enforceable statutory rights to collective bargaining, minimum salaries, or termination protection, despite the fact that this is a significant legislative achievement. Rather, it gives the government the ability to create plans, making protections optional rather than required.<sup>1</sup>

Under Section 2(s) of the Industrial Disputes Act of 1947, "workman" refers to a direct employer-employee relationship. Because of their contractual flexibility, gig workers frequently fail the "control test" and the "integration test," which courts have used to determine employment. The Minimum Wages Act, 1948, provides wage floors only for scheduled employments, which do not include app-based occupations. Similarly, the Employees' State Insurance Act, 1948, the Employees' Provident Fund and Miscellaneous Provisions Act, 1952

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<sup>1</sup> Code on Social Security, No. 36 of 2020, § 2(35), § 2(60) (India), [https://www.indiacode.nic.in/handle/123456789/16823?sam\\_handle=1234](https://www.indiacode.nic.in/handle/123456789/16823?sam_handle=1234)

link coverage to employer–employee contracts, leaving platform workers outside their scope.<sup>2</sup>

### Case laws

While the Supreme Court has not yet issued a landmark ruling on gig work, several petitions are pending. In *Indian Federation of App-Based Transport Workers v. Union of India*, a PIL was filed in 2021, and drivers and delivery partners sought recognition as “unorganised workers” under the Code on Social Security, 2020. The petition, still pending, has the potential to clarify the statutory rights of gig workers under India’s constitutional and labour framework.<sup>3</sup>

The jurisprudence of Indian courts on employment classification more broadly provides useful analogies. In *Dharangadhara Chemical Works Ltd. v. State of Saurashtra*, the Supreme Court applied the “control and supervision” test to determine whether workers were employees under the Industrial Disputes Act.<sup>4</sup> Similar to this, the Court reaffirmed in *Workmen of Nilgiri Cooperative Market Society Ltd. v. State of Tamil Nadu* that the “integration test,” which looks at whether employees are financially dependent on their employers, must be included to the “control test.”<sup>5</sup> Although their applicability to platform-mediated labor is still up for debate, these tests are nonetheless pertinent for gig workers.

The Court has also underscored the principle of social justice in labour jurisprudence. In *Bandhua Mukti Morcha v. Union of India*, it expanded Article 21 to include the right to live with dignity and humane working conditions.<sup>6</sup> Though not specific to gig work, such precedents affirm that constitutional guarantees extend to all forms of labour.

Foreign case law has advanced the debate much further. In *Uber BV v. Aslam*, the United Kingdom Supreme Court held unanimously that Uber drivers were “workers” under the Employment Rights Act, 1996. The court held that the drivers are not really regarded as

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<sup>2</sup> Industrial Disputes Act, No. 14 of 1947, § 2(s) (India); Minimum Wages Act, No. 11 of 1948 (India); Employees’ State Insurance Act, No. 34 of 1948 (India); Employees’ Provident Funds and Miscellaneous Provisions Act, No. 19 of 1952 (India).

<sup>3</sup> *Indian Fed’n of App-Based Transp. Workers v. Union of India*, W.P. (C) No. 1119/2021 (Sup. Ct. of India, pending).

<sup>4</sup> *Dharangadhara Chem. Works Ltd. v. State of Saurashtra*, A.I.R. 1957 S.C. 264 (India).

<sup>5</sup> *Workmen of Nilgiri Coop. Mkt. Soc’y Ltd. v. State of T.N.*, (2004) 3 S.C.C. 514 (India).

<sup>6</sup> *Bandhua Mukti Morcha v. Union of India*, (1984) 3 S.C.C. 161 (India).

independent contracts by citing Uber's unilateral standards.<sup>7</sup>

*Pimlico Plumbers Ltd. v. Smith*, the UK Supreme Court in this case classified plumbers as “workers” despite contracts designating them as self-employed, underscoring that contractual labels cannot defeat the economic reality of subordination.<sup>8</sup>

Across the Atlantic, the Supreme Court of Canada in *Uber Technologies Inc. v. Heller* struck down an arbitration clause requiring disputes to be resolved in the Netherlands, holding that such terms deprived workers of access to labour rights and were unconscionable.<sup>9</sup>

In the United States, the “ABC test” developed under California Assembly Bill 5 (2019) presumes workers to be employees unless companies prove that they are free from control, work outside the hiring entity’s usual course of business, and are engaged in an independently established trade. This test has been applied to platform workers, though subsequent political developments (Proposition 22) carved out exceptions for ride-hailing and delivery platforms.<sup>10</sup>

Jurisdictions under civil law have also made progress toward recognition. Citing platform control over pricing and routes, the French Court of Cassation (2020) categorized Uber drivers as employees. Similarly, under Spain's Riders Law (2021), delivery workers were assumed to be employed in cases when platforms exercised administrative responsibilities. The impending EU Platform Work Directive (2024) places the burden of demonstrating employment status on platforms and creates a rebuttable presumption of employment where two of the five signs of control are met.<sup>11</sup>

## II. Secondary Sources

Rakhi T.R. contends that gig workers are placed in a transitional state of “recognition without protection” since the Social Security Code, 2020, formally recognizes them without providing them with enforceable rights under the Industrial Disputes Act or Minimum Wages Act.<sup>12</sup>

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<sup>7</sup> *Uber BV v. Aslam*, [2021] UKSC 5

<sup>8</sup> *Pimlico Plumbers Ltd. v. Smith*, [2018] UKSC 29.

<sup>9</sup> *Uber Techs. Inc. v. Heller*, [2020] 2 S.C.R. 118 (Can.).

<sup>10</sup> Cal. Assemb. B. 5, 2019–2020 Leg., Reg. Sess. (Cal. 2019); see also Cal. Proposition 22 (2020).

<sup>11</sup> Directive of the European Parliament and of the Council on Improving Working Conditions in Platform Work, COM (2021) 762 final (proposed Dec. 9, 2021), <https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX:52021PC0762>

<sup>12</sup> Rakhi T.R., *Gig Workers in India: An Insight into Their Rights*, 12 Int'l J. Res. & Analytical Rev. 704 (2025), <https://ijrar.org/papers/IJRAR25B3665.pdf>

Suresh Aggarwal situates gig work within India's macroeconomic transformation, highlighting its potential contribution to GDP but warning of deepening inequality absent welfare measures.<sup>13</sup>

These worries are echoed in reports from government agencies. As per 2022 NITI Aayog report there should be 23.5 million gig workers by 2030, highlighting the necessity of universal social insurance programs.<sup>14</sup> The 2021 ASSOCHAM-Primus Partners Report calls for regulatory balancing, highlighting gig work's dual role as a site of systematic exploitation and a facilitator of labor market flexibility.<sup>15</sup> The potential economic impact of gig employment is quantified in the Boston Consulting Group Report (2021), but it is contingent upon significant governmental changes.<sup>16</sup>

A conceptual framework is offered by international scholarship. According to Valerio De Stefano, gig employment is an example of the "just-in-time workforce," in which contractor designations are used to purposefully circumvent employer commitments.<sup>17</sup> As part of a broader trend of "non-standard employment," gig work creates precarity, weakens bargaining strength, and undermines workplace safeguards, according to Arne Kalleberg.<sup>18</sup> The Oxford Handbook of Employment Relations places platform work in the context of global labor market changes, demonstrating how, in spite of official assertions of freedom, algorithmic control exacerbates worker subordination.<sup>19</sup>

## Legal Status of Gig Workers in India

### The Legal Grey Area: Where Innovation and Tradition Collide

**Imagine this:** Ramu delivers food during lunch and transports passengers in the evening for

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<sup>13</sup> Suresh C. Aggarwal, 'Gig' Workers in India: An Overview (2023), [https://www.researchgate.net/publication/372518684\\_'Gig'\\_workers\\_in\\_India\\_An\\_Overview](https://www.researchgate.net/publication/372518684_'Gig'_workers_in_India_An_Overview)

<sup>14</sup> NITI Aayog, *India's Booming Gig and Platform Economy* (2022), [https://www.niti.gov.in/sites/default/files/2022-06/Policy\\_Brief\\_India%27s\\_Booming\\_Gig\\_and\\_Platform\\_Economy\\_27062022.pdf](https://www.niti.gov.in/sites/default/files/2022-06/Policy_Brief_India%27s_Booming_Gig_and_Platform_Economy_27062022.pdf)

<sup>15</sup> ASSOCHAM & Primus Partners, *Future of Work in the Gig Economy* (2021), [https://www.assocham.org/uploads/files/Gig\\_Economy\\_Report.pdf](https://www.assocham.org/uploads/files/Gig_Economy_Report.pdf)

<sup>16</sup> Boston Consulting Grp. & Michael & Susan Dell Found., *Unlocking the Potential of India's Gig Economy* (2021), <https://media-publications.bcg.com/India-Gig-Economy-Report.pdf>

<sup>17</sup> Valerio De Stefano, *The Rise of the "Just-in-Time Workforce"*, 37 *Comp. Lab. L. & Pol'y J.* 471 (2016), [https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed\\_protect/@protrav/@travail/documents/publication/wcms\\_443267.pdf](https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_protect/@protrav/@travail/documents/publication/wcms_443267.pdf)

<sup>18</sup> Arne L. Kalleberg, *Nonstandard Employment Relations: Part-time, Temporary and Contract Work*, 26 *Ann. Rev. Soc.* 341 (2000).

<sup>19</sup> Adrian Wilkinson et al. (eds.), *The Oxford Handbook of Employment Relations* (2014).

three ride-hailing apps in Hyderabad. Roshni provides online training on a number of educational platforms while arranging in-home services. Both work more than 10 hours a day, living solely off platform incomes for their livelihood, yet neither is deemed an "employee" in India's classical sense by law. This situation encapsulates the essence of the problem confronting millions of gig workers between the two stools of employment and entrepreneurship.

India's labour law framework, built around the industrial age employment model, struggles to accommodate the fluid, technology-mediated work relationships that define today's gig economy. The result is a complex web of legal ambiguities that leaves workers vulnerable while platforms exploit regulatory gaps.

### **The Three-Tier Employment Structure**

Three separate job classifications are traditionally recognized under Indian labour laws, each with unique rights and protections:

**Public sector workers** who are entitled to full job security, pension benefits, and statutory safeguards under service standards are known as government employees.

**Private Sector Employees:** Workers in organized private establishments covered by various labour laws, including the Minimum Wages Act, 1948, Industrial Disputes Act, 1947, and social security legislation.

**Independent Contractors:** Self-employed individuals working under service contracts, excluded from traditional employee benefits and protections.

This rigid classification system creates what scholars call a "binary trap" - forcing all work relationships into either employee or contractor categories, with no middle ground for the hybrid nature of platform work

### **Traditional Employment Framework and Its Limitations**

India's labour law framework has long been structured around a clear binary classification of workers: government employees enjoying comprehensive statutory protections, private-sector employees covered by acts such as the Minimum Wages Act, 1948, and independent contractors operating outside those protections. This rigid structure presumes direct

supervision, fixed working hours, and employer–employee hierarchies—conditions at odds with the realities of platform-mediated work. Gig workers often exhibit characteristics of both employment and contracting, leading to contradictory outcomes when courts apply traditional tests for control, integration, and economic reality.

### **Legal Recognition Under the Code on Social Security, 2020**

The Code on Social Security, 2020, marked the first central legislation to formally recognize gig and platform workers. It defines "gig workers" (Section 2(35)) and "platform workers" (Section 2(60)) as individuals who earn income through non-traditional work arrangements that are facilitated by digital platforms. This definition acknowledges the existence of these individuals without granting them complete employee status. Although the Code gives governments the authority to create social security programs for these workers, it does not provide them with legally binding rights under fundamental labor laws, preserving their exclusion from collective bargaining rights, termination protection, and minimum wage rules.

### **Coverage Under Existing Labour Laws**

Major labour statutes continue to exclude gig workers by virtue of their contractor classification. The Industrial Disputes Act, 1947, and social security laws such as the Employees' State Insurance Act, 1948, and the Employees' Provident Fund Act, 1952, all presuppose employer–employee relationships that platforms eschew. Limited application of the Contract Labour (Regulation and Abolition) Act, 1970, remains largely untested, and acts like the Payment of Gratuity Act, 1972, and the Maternity Benefit Act, 1961, require tenants of formal employment, leaving gig workers outside their ambit.

### **State-Level Legislative Initiatives**

A number of states have passed welfare laws specifically for gig workers in response to inadequacies in federal legislation, offering substitute regulatory frameworks. Specifically addressing the concerns of platform workers, the Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act 2023 became the first state-level law in India. The Act establishes mandatory platform registration, creates welfare funds through aggregator contributions, and provides grievance redressal mechanisms for registered workers.<sup>20</sup>

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<sup>20</sup> Rajasthan Platform Based Gig Workers (Registration and Welfare) Bill, Bill No. 30 of 2023 (Rajasthan), dated June 20, 2023, published July 7, 2023

Rajasthan's legislation defines gig workers more comprehensively than central legislation, specifically including all piece-rate work within its scope. The Act creates an administrative framework for welfare distribution by requiring platforms to keep worker databases up to date and submit regular updates to state authorities. Under state-designed welfare programs, the Rajasthan Platform-Based Gig Workers Welfare Board guarantees worker access to benefits, supervises registration procedures, and keeps an eye on scheme implementation.

Following Rajasthan's example, Karnataka added more measures for algorithmic transparency and dispute resolution in its Platform-based Gig Workers (Social Security and Welfare) Bill 2024. The Karnataka legislation covers a wider variety of platform work types and offers more thorough operating structures. The state has also introduced the Karnataka State Gig Workers Insurance Scheme, providing coverage for workers aged 18-60 years who are not income tax payers or beneficiaries of formal social security schemes.

Other states, including Telangana, Kerala, and Jharkhand, have introduced similar legislation or are developing comprehensive gig worker welfare frameworks. These state-level initiatives demonstrate growing recognition of gig worker needs while creating a patchwork of varying protections across different jurisdictions. The diversity in approaches reflects both innovation in policy development and challenges in creating uniform national standards for platform work regulation.

### **Ambiguities in Employment Classification**

Gig workers are still in legal ambiguity even though they are recognized by statute as a separate category. Due to platform control over fares and operations, certain high courts have ruled that platform drivers are employees, while other courts have upheld independent contractor status based on scheduling flexibility. This discrepancy emphasizes how urgently precise legal advice on classification is required to address enduring ambiguity.

In sum, gig and platform workers in India occupy a partial legal status—formally recognized by the Social Security Code yet excluded from core labour law protections. Traditional laws remain inapplicable due to their dependence on established employment relationships, and state-level efforts have produced a fragmented regulatory landscape. Having mapped this foundational legal context, the next inquiry examines how the Code on Social Security, 2020, has been implemented in practice and the extent to which its intended protections for gig

workers have materialized.

Although the Code received presidential assent in September 2020, its implementation remains pending due to delayed rule-making by the Central and State governments. Only 34 of 36 States/UTs have pre-published draft rules for welfare funds covering gig and platform workers. The primary delivery mechanism—the e-Shram portal—has enrolled over 30.9 crore unorganized workers but only about 3.4 lakh gig/platform workers, highlighting severe under-coverage. Twelve major platforms (e.g., Uber, Zomato) have voluntarily integrated their workforces into the e-Shram system. Yet, aggregator contributions (1–2% turnover) and welfare scheme notifications remain largely non-operational, leaving enacted provisions largely aspirational.

## **Challenges faced by Gig and Platform Workers**

### **Unstable Income and Inadequate Wages**

Due of their extreme revenue instability, gig workers find it very difficult to organize their finances. Platform workers are paid on a piece-rate basis, which varies highly depending on market saturation, weather, and demand algorithms, in contrast to traditional employees who receive set income. The majority of gig workers in India make between ₹15,000 and ₹20,000 a month, which, when platform commissions and operating costs are taken into account, frequently falls short of the minimum wage requirements. Workers are unable to forecast their daily earnings in the lack of guaranteed work hours, which forces them to put in longer shifts during busy times and receive no pay during slow ones.

### **Exclusion from Social Security and Benefits**

Even though gig workers are now officially recognized by the Social Security Code 2020, there are still significant barriers to actual access to social security. The majority of platform workers do not have benefits same as traditional employees, such as health insurance, pension contributions, or accident coverage. Access to even basic benefit schemes is hampered by the e-Shram portal's complicated registration procedures, which call for computer literacy that many workers lack. Due to the existing framework's full omission of maternity leave protections, pregnant gig workers are particularly vulnerable as they are left without cash support during critical times. Most of the workers are unprotected from joblessness, health

benefits, and work security.

### **Uncertainty in Employment and Random Deactivation**

Platform employees are always in danger of having their accounts deactivated, which would instantly cut off their only source of revenue without providing them with a fair trial or an appeal process. Deactivation triggers can include policy infractions that are often ambiguous or subject to abrupt modifications, algorithmic performance threshold breaches, or the accumulation of user complaints. Platform deactivation can happen instantly based on automated determinations, as contrast to traditional employment, which requires notice periods and justification for termination. Because workers are unable to forecast when their access to earning opportunities may be permanently terminated, this leads to psychological stress and makes long-term financial commitments and family planning exceedingly challenging.

### **Health and Safety Hazards at Work**

Without proper safety safeguards, gig workers—especially those in the delivery and transportation industries—face serious workplace risks. Insufficient revenue causes people to labor longer hours, which increases the risk of accidents and causes physical weariness. Simultaneously, algorithmic incentives that create time pressure promote risky behaviors like speeding and working in bad weather. Employees do not have access to safety procedures, protective gear, or benefits for work-related injuries. The informal nature of platform work means occupational health monitoring is absent, leaving workers vulnerable to long-term health consequences from repetitive motions, prolonged vehicle operation, and exposure to environmental hazards.

### **Collective Rights and Bargaining Power Deficits**

Gig workers are not entitled to the collective bargaining rights that regular employees have under labor laws since they are classified as independent contractors. Platform employees are constitutionally prohibited from establishing trade unions or engaging in collective bargaining regarding wages, working conditions, or grievance procedures. Because of this isolation, employees are unable to demand clarity in platform policies or contest unfair algorithmic judgments. Without collective voice tools, workers are forced to bargain alone against corporate rules and complex platform algorithms, resulting in basic power disparities that

prioritize platform interests over worker welfare.

### **Ambiguity in Legal Status and Rights Gaps**

Gig workers are routinely excluded from labor law protections since they are legally classified as independent contractors rather than employees. Workers are left in a regulatory void where traditional labor rights do not apply because they are unable to access labor courts, industrial tribunals, or legislative benefits intended for employees. With considerable control over work procedures, this ambiguous status enables platforms to evade employer obligations including paying minimum wages, paid time off, or social security contributions. Because of the discrepancy between legal classification and actual working relationships, employees may be subject to employee-like authority without the associated safeguards.

### **Algorithmic Control and Transparency Issues**

Digital platforms use complex algorithmic processes with little transparency to exert previously unheard-of control over gig workers. These "black-box" algorithms assign tasks, evaluate performance, and calculate salaries without giving employees any knowledge of the underlying standards. Fundamental work decisions are made in a completely opaque environment since employees are unable to comprehend how rides or deliveries are assigned, why their performance ratings change, or how surge pricing is determined.

These technologies' ongoing surveillance keeps an eye on almost every facet of employee conduct, from tracking location in real time to assessing client contact styles. This extensive monitoring examines more than just task completion; it also looks at platform notification response times, vehicle handling behaviors, and adherence to route optimization. Employee psychological stress and worker autonomy over basic job performance approaches are undermined by such intense monitoring.

Customer rating systems serve as disciplinary tools, and employees who receive ratings below platform-set standards risk harsh repercussions. These systems frequently penalize employees for uncontrollable circumstances, such weather, traffic jams, or discrimination from customers based on appearance or accent. The absence of meaningful appeal mechanisms means that unfair ratings can immediately impact a worker's ability to secure future tasks or maintain platform access.

Platforms utilize dynamic wage manipulation techniques that artificially influence worker earnings through surge pricing control, changing incentive structures mid-shift, and withholding demand forecasting data. This undermines any appearance of equal negotiation power in the job relationship by generating information asymmetries as platforms have access to complete market data while workers base their decisions on incomplete information.

## **Comparative International Perspectives on Gig Worker Treatment**

### **United Kingdom: Judicial Leadership in Worker Reclassification**

The UK Supreme Court's decision in *Uber BV v. Aslam* (2021) established the most comprehensive framework for platform worker rights globally. The Court identified five control factors demonstrating employment relationships: unilateral fare determination, standardised contractual terms, ride acceptance penalties, vehicle and performance control through ratings, and restricted driver-passenger communication. This unanimous decision classified Uber drivers as "workers" under the Employment Rights Act 1996, granting national minimum wage and paid annual leave entitlements. Similar outcomes occurred in *Pimlico Plumbers v. Smith* (2018) where the Supreme Court confirmed plumber classification as workers, and multiple Employment Tribunal decisions recognising Hermes couriers and City Sprint drivers as workers with minimum wage and holiday pay rights.

### **European Union: Presumptive Employment Framework**

When platforms satisfy two of five control indicators—pay determination and working hours control, algorithmic systems for performance monitoring, task allocation and distribution authority, extensive control over working conditions, including conduct and breaks, and limitations on work organization—the EU Platform Work Directive (2024) establishes a rebuttable presumption of employment. An estimated 28 million platform workers in the EU are covered by this rule; by 2025, that number is expected to rise to 43 million. Because the platform controls the prices, routes, and service conditions, the Court of Cassation in France decided in 2020 that Uber drivers had job relationships. Spain's "Riders Law" (2021) created a presumption of employment for delivery workers when companies exercise management and control powers.

### **United States: Legislative Battles and Corporate Resistance**

California's Assembly Bill 5 (2019) implemented the strict "ABC test" requiring companies to

prove genuine contractor status through: freedom from control in work performance, work outside the company's usual business scope, and independent engagement in similar occupations. However, platform companies raised \$200 million for Proposition 22 (2020), which created limited benefits such as healthcare subsidies, occupational accident insurance, and earnings guarantees during "engaged time," all while keeping contractor status. Despite court rulings that favor employment status, this corporate success shows how platforms mobilize political resources to oppose worker reclassification.

### **Brazil: Mixed Judicial Outcomes**

Brazilian labour courts initially favoured classifying Uber drivers as employees, but the Superior Court of Justice established precedent determining drivers were independent contractors. This illustrates the intricate legal system in which common courts and specialized labor courts come to differing decisions regarding connections on the same platform. The contradicting conclusions demonstrate how, even within a same jurisdiction, disparate legal frameworks and judicial ideologies can yield conflicting outcomes.

### **Asian Jurisdictions: New Models of Regulation**

Singapore's Platform Workers Act (2025) mandates increased Central Provident Fund contributions, work injury compensation insurance, and collective bargaining through Platform Work Associations. Regulations for the delivery sector were enacted in South Korea, which mandated written contracts, restricted unilateral deactivation, and platform contributions to state unemployment and pension funds based on worker wages. The Supreme Administrative Court of Finland (2025) acknowledged the complexity of regulating working hours and decided that food delivery workers had employment links because of platform oversight and guidance, establishing de facto subordinate relationships.

### **China: State-Led Platform Regulation**

Following viral media reports about delivery worker conditions, Chinese authorities launched comprehensive platform regulation campaigns. The "Guiding Opinions on Labour Security Rights and Interests of Workers in Platform Employment" established minimum wage requirements and occupational injury insurance for platform workers, requiring platforms and franchisees to maintain labour relations with full-time workers. This represents state-directed intervention in platform labour practices rather than judicial evolution of employment law.

## **Comparative Analysis: Control vs. Flexibility Tensions**

**Algorithmic Control Recognition:** Courts across jurisdictions increasingly recognise that digital platforms exercise unprecedented control through algorithmic management systems. The UK's Uber decision, EU Directive provisions, and Finnish Supreme Administrative Court ruling all acknowledge that technological mediation enhances rather than diminishes hierarchical control over workers.

**Presumption Strategies:** Multiple jurisdictions adopt rebuttable employment presumptions rather than case-by-case determinations. Spain's Riders Law, the EU Platform Work Directive, and California's ABC test all shift the burden of proof to platforms, recognising information asymmetries between workers and corporations.

**Corporate Mobilisation Patterns:** Platform companies deploy consistent global strategies, including public relations campaigns, regulatory lobbying, court challenges, community mobilisation, and direct democracy initiatives like California's Proposition 22. These companies operate as "repeat players" across multiple jurisdictions, treating each regulatory challenge as threatening their global business model.

The global situation shows that, in spite of various legal systems and economic conditions, platform workers' precarious situation is increasingly being recognized. However, in all nations, the conversion of official legal recognition into effective worker protection is severely hampered by practical issues, corporate resistance, and enforcement deficiencies.

## **Findings**

The study finds that the current legal status of gig and platform workers in India is marked by recognition without protection. India's classical labour law framework, which distinguishes between public employees, private-sector workers, and independent contractors, fails to capture the hybrid and dependent nature of gig work. Platform workers thus remain stranded in a legal grey zone—classified neither as employees with enforceable rights nor as entrepreneurs with true independence.

The Code on Social Security, 2020 represents a legislative milestone by formally recognising "gig workers" and "platform workers." However, fundamental rights guaranteed by laws like the Minimum Wages Act of 1948 and the Industrial Disputes Act of 1947 are not covered by

this recognition. Gig workers are not protected by standard labor laws because they are not eligible for collective bargaining, termination protections, or guaranteed minimum wages. Federal labour schemes such as ESI, provident fund, gratuity, and maternity leave presuppose employer–employee relationships, which platforms deliberately avoid, further entrenching exclusion.

Some state-level initiatives—notably Rajasthan’s Platform-Based Gig Workers Act, 2023 and Karnataka’s Gig Workers Bill, 2024—have introduced welfare boards, aggregator-funded contributions, mandatory registration, and algorithmic transparency. These are significant innovations, yet they have produced a fragmented and non-uniform mosaic of protections across India, depriving workers of consistent national safeguards. Similarly, the e-Shram portal, despite enrolling over 30 crore workers from the unorganised sector, has managed to cover barely 3.4 lakh gig workers. This under-representation reveals systemic gaps in outreach, registration design, and state capacity for welfare disbursement.

Judicial engagement with gig work has so far been piecemeal. In consumer or tort law situations, certain tribunals and High Courts have recognized the control platforms wield and viewed workers as employees, while others have upheld the independent contractor status.

Inconsistent rulings have resulted from the absence of a legally required classification criterion, underscoring the urgent need for clarification. Although the Supreme Court may issue authoritative instructions in a pending PIL, the status of gig workers is still unclear.

Beyond legal recognition, the research also reveals pressing material vulnerabilities. After commissions and expenses are subtracted, gig workers' average monthly income, which normally ranges between ₹15,000 and ₹20,000, frequently falls below statutory pay limits. They have no social safety net because they are not legally entitled to health insurance, accident insurance, pensions, or paid time off. By imposing opaque control over work allocation, wage setting, and performance evaluation—and permitting arbitrary deactivations without due process—algorithmic management systems exacerbate these vulnerabilities. Their inability to negotiate algorithmic governance or jointly articulate demands is further cemented by their exclusion from collective bargaining.

The results also reveal aspects of exclusion that are gendered. In addition to being excluded from maternity benefits and gender-responsive protections, women platform workers are more

likely to experience harassment and safety issues. The gender-neutral approach of the current legal framework ignores these vulnerabilities, which discourages women from working on platforms and perpetuates inequity.

The results essentially show that platform and gig workers in India are recognized by law but lack substantive protection. The long-standing exclusions of traditional labor rules have not been eliminated by legislative acknowledgment under the SSC, and state-level experimentation are still dispersed. Due to a combination of court inconsistencies, administrative delays, and structural vulnerabilities ranging from algorithmic opacity to financial hardship, gig workers continue to be at risk inside India's legal system.

## **Suggestions**

The paper emphasizes that platform and gig workers in India continue to exist in a precarious intermediate status, with legal recognition but no real protection. Reforms must be multifaceted and include legislative action, legal interpretation, regulatory procedures, and worker empowerment in order to turn this acknowledgment into genuine protection.

### **1. Legislative Reforms**

To bring gig and platform workers inside the purview of fundamental labor laws, a thorough legislative framework ought to be established. Platform-based workers must be guaranteed minimum wages and safeguarded against wrongful termination through amendments to the Industrial Disputes Act and Minimum Wages Act. Similarly, the Employees' State Insurance Act and Employees' Provident Fund Act should be expanded to cover platform workers, either directly or through tailored contributory schemes. To ensure that benefits like health insurance, maternity leave, and pensions are enforceable statutory entitlements, the Social Security Code, 2020 should be changed from a scheme-based approach to a rights-based structure.

### **2. Uniform National Framework with State Innovation**

State-level initiatives that provide useful examples of welfare boards, aggregator funding, and algorithmic transparency include Karnataka's Gig Workers Bill, 2024, and Rajasthan's Platform-Based Gig Workers Act, 2023. Uneven protections are produced by the present patchwork, nevertheless. It is essential to have a federal harmonization framework that establishes minimum national standards for gig worker rights while enabling states to

implement extra measures. Jurisdictional fragmentation would be avoided and progressive experimentation would be encouraged by this harmony between state innovation and central consistency.

### **3. Judicial Intervention and Doctrinal Development**

The judiciary must take the initiative to close legislative loopholes. The Supreme Court has the chance to adopt a functional test of employment based on economic dependency and degree of control rather than contractual labels in ongoing cases like *Indian Federation of App-Based Transport Workers v. Union of India*. Indian courts can reinterpret statute provisions to give protections to gig workers as "deemed employees," taking influence from the UK ruling in *Uber BV v. Aslam (2021)*.<sup>21</sup> Additionally, judicial recognition of gig workers' collective bargaining rights would be consistent with Article 19(1)(c) of the constitution.

### **4. Strengthening Collective Representation**

The vulnerability of gig workers is increased by their exclusion from trade union institutions. Legislative actions must recognize gig and platform workers' rights to collective bargaining and organization. On matters of pay, working conditions, and algorithmic governance, platforms ought to be required to engage in negotiations with representative associations of gig workers. Institutionalising sectoral bargaining mechanisms for platform industries could ensure minimum standards without undermining operational flexibility.

### **5. Gender-Responsive Provisions**

The current labour legislation does not provide certain benefits to women like maternity benefits, or harassment. To address this gap, the Maternity Benefit Act, 1961, should be extended to gig and platform workers through a dedicated maternity fund under the Social Security Code, 2020, supported by aggregator contributions.<sup>22</sup> Bringing gig workers under the purview of the POSH Act of 2013 and mandating that platforms have efficient grievance procedures, GPS tracking, and emergency help tools are further ways to prioritize safety. Women's protections, such the ability to opt out of late-night projects without consequence, should be incorporated into algorithms that allocate tasks. To ensure that their opinions are

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<sup>21</sup> *Uber BV v. Aslam*, [2021] UKSC 5

<sup>22</sup> Maternity Benefit Act, No. 53 of 1961, INDIA CODE (1961).

heard in welfare design and policy, women must also be represented on welfare boards and in collective associations. Last but not least, specific financial inclusion initiatives, such as subsidized loans and insurance plans, would increase economic stability and allow more women to engage in platform employment.

## **6. Data Transparency and Administrative Strengthening**

Strong administrative capabilities are necessary for welfare programs to be implemented effectively. Simplified processes and strong data privacy protections must be included to the e-Shram site in order to speed up gig worker registration. Platforms should be obliged to give welfare boards anonymized worker data in order to expand coverage. To resolve this type of disputes there must be specific redressive tribunals that need to be established.

## **7. Integrating Constitutional Principles**

Any reforms must be based on the fundamental principles of equality (Article 14), freedom to association (Article 19(1)(c)), and right to livelihood and dignity (Article 21). The protections provided by the constitution must no longer apply to gig labor. Recognising gig workers as an integral part of the workforce, rather than peripheral actors, would align India's labour law with the constitutional promise of social and economic justice.

## **Conclusion**

The gig economy in India is at a turning point when it has legal recognition but no real protection. The study shows that although gig and platform workers are officially recognized by the Code on Social Security, 2020, this recognition is still mainly theoretical because of implementation delays and their exclusion from basic labor protections. It is impossible to overestimate the need for thorough reform given that India's gig economy is expected to increase from 7.7 million in 2021 to 23.5 million by 2030, representing a potential \$250 billion industry.

Millions of workers make substantial contributions to India's digital economy, yet they are caught in a regulatory limbo due to the current legal structure. The hybrid character of platform work is not addressed by traditional labor rules created for industrial-era employment arrangements, leaving workers open to algorithmic control, unstable income, and arbitrary deactivation without due process. The insufficiency of current protections is shown by the fact that many gig workers, although making between ₹15,000 and ₹20,000 per month, fall below

minimum wage requirements after platform commissions and operating expenses. By creating welfare boards, compulsory platform contributions, and grievance procedures, state-level innovations—most notably Karnataka's Platform-Based Gig Workers Act 2025, Rajasthan's breakthrough legislation, and Bihar's most recent law—represent substantial gains. However, this multi-layered approach results in jurisdictional fragmentation, which denies workers consistent national safeguards and permits regulatory arbitrage. Examples of the potential and difficulties of regulating platform workers come from international experiences such as the EU Platform Work Directive, the UK's *Uber BV v. Aslam* ruling, and California's legislative issues. These judgments set important precedents for Indian courts and policymakers by demonstrating how algorithmic control and economic dependency can create job connections in spite of contractual categories. Moving forward requires the multifaceted approach that includes ensuring collective bargaining rights, ensuring meaningful implementation of the Social Security Code, ensuring that platform workers are covered by labor law, establishing algorithmic transparency and accountability mechanisms, and harmonizing state-level initiatives within a national framework. Gender-responsive provisions addressing safety, harassment, and maternity benefits are essential for inclusive gig economy participation.

In the end, regulating gig employment is more than just a technical legal change; it is a manifestation of India's dedication to the digital era fundamental values of equality, social justice, and dignity. Millions of present and future workers whose contributions propel the country's digital transformation will be impacted by the decisions taken today, which will determine whether India's platform economy turns into a source of empowerment or exploitation. India can only guarantee that the advantages of the gig economy are distributed fairly while maintaining the security and dignity that each and every worker deserves by enacting comprehensive law reform that strikes a balance between innovation and worker protection.

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