Gig Economy and Labour Law in India: Challenges and Legal Gaps

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ABSTRACT:
In India, the gig economy has become a revolution, changing the dynamics of employment, creating new working paradigms based on tasks and platforms. With the support of quick digitalisation, low-cost internet connection and the increasing number of application platforms, gig work has been adopted in different sectors such as transportation, food delivery, e-commerce, professional services, and information technology. On one hand, the gig economy is flexible, independent and offers work opportunities to increasing numbers of people, and on the other hand, people are working precariously in a gig economy with an unstable income, algorithmic control, and lacking access to formal labour market and social security policies.
This paper examines the concept of gig economy in India, its evolution, its organizations and the present landscape, as well as the economic and social consequences of the gig economy on gig workers in the Indian workforce. It highlights the state of the legal and constitutional framework in India, and critically considers the efficacy of the current laws, particularly with regards to the labour laws, social security codes and judicial interpretation of gig work. The study also includes a comparative review of other international efforts such as the ones in the United Kingdom, the European Union and U.S., as well as the I.L.O guidance. While the law acknowledges gig workers, important regulatory and enforcement issues remain that need attention, the paper states. It feels that if there is any real hope for gig workers in India, it has to be flexible and social security, providing dignity and social justice and fair working conditions as per the constitution.

KEYWORDS: Gig Economy, Platform Workers, Labour Law, Social Security, Algorithmic Management, Constitutional Rights, Comparative Labour Law, India
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INTRODUCTION:

India has seen a drastic transformation in the nature of work over the past few years with changing fashion of job preference, digital platforms, and technological advancements giving rise to non-conforming, innovative and remote jobs.In the past decade, the landscape of work in India has dramatically changed, and new, innovative, and remote opportunities have emerged.In recent years, technological advancements, digital platforms and changing preferences in employment have opened the doors for new and innovative job avenues in India that were never thought of before! This revolution has produced the gig economy, which is flexible, short-term, task-oriented, and is assisted by digital platforms. It started as an extra job and now has become a main occupation for millions in urban, “semi-urban and rural areas”. The rise of the “gig economy in India is mainly driven by the growing prevalence of smartphone usage”, the ease of access to affordable internet, and the presence of a huge youth population seeking flexible work opportunities. Uber, Ola, Swiggy, Zomato, Urban Company, etc., have changed the definition of labour relations by having their employees work as independent contractors instead of employees. On the one hand this model is independent and efficient but on the other hand it contains many questions of employment security, income security, social protection and rights of workers. While gig work is becoming more prevalent, India's legal system is not well-suited to deal with the specific issues associated with platform-based work. Generally, gig workers are not protected by traditional labour laws that are focused on the employer–employee relationship. Although Gig and platform workers are identified in the recent legislation such as Code on Social Security 2020, their rights are not enshrined in law or effectively implemented. This paper aims at studying the gig economy in India in a legal, constitutional, and comparative perspective

What is meant by the Gig Economy?

Gig economy is a term for a system where workers are employed to complete specific jobs or tasks on a contractual basis rather than having a regular job. It provides flexible and free choice of work, but little job security and stability.[1]

The study investigates how the Gig Economy has evolved in the past and what it may look like in the future

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The advent of the Internet in India led to the failure of traditional jobs in India and the rise of the Gig economy since 2007.

2012-2015: Food Delivery Apps like Zomato, Swiggy started growing. As smaller apps appeared over the years, all but these two large ones were phased out..

2016–2019: These companies not only start thinking about growing the business, but also start thinking about generating money in a proper way and cut down costs and optimize earnings per order.

2020-2021: Delivery apps were relied upon heavily during COVID. There was also a rise in a new kind of business, referred to as "fast commerce" providing services such as groceries, needs, etc. in the shortest time possible.

2022-2023: Many small platforms would not have been able to withstand. They were acquired or driven out by big companies to create fewer but more powerful platforms.

2024-2025 Focus was now on the welfare of gig workers. Increased in number and organized benefits such as insurance, social security and registrations

Starting with 2026: System stabilizes. Gig work is now the regular and permanent employment rather than temporary employment..[2]

Gig is a term used by musicians to describe a single show, as opposed to a regular show. But in today's digital age, and thanks to technology, the gig economy has now reached new industries, including the food delivery and transportation sectors, and professional services. "Uber, Zomato, Fiverr etc. have made it their business to establish a link between workers and job opportunities per gig". The gig economy started in India from 2010, when "ride-hailing companies like Uber and Ola started operations, and later food delivery services like Swiggy and Zomato". The rise in smartphone use and availability of cheap internet connectivity further drove the growth of the gig economy in India. A Mastercard report estimates that global gig economy transactions will grow at a 17% per year rate to around $455 billion by 2023. In India "approximately 77 lakh freelancers are working on various projects from food delivery, ride hailing to other professional projects. In addition, India's labour force is increasing at the rate of around 4 million annually". Most of these are millennials, and they are more and more accepting of gig contracts. In India, the gig worker has a diverse range of roles from low-skilled, medium-skilled, to high-skilled.

Below are examples of the different kinds of gigs in each category

Moderate-practiced independent contractors

33% of the gig workforce consists of these workers. Typically, they perform manual tasks or less complex service oriented tasks that require little training or specialisation.

- E-commerce, food delivery or courier service delivery staff
- Rideshare drivers
- Housekeeping / cleaning personnel

Ordinary- practiced independent contractors

These workers make up 47% — the majority of the gig workforce. Possesses some skill and training in his/her field, but may lack experience or advanced training.

Electro-tech, Carpenters, Plumbers etc.

Beauticians, personal cooks etc.

Individual workers in the sales and marketing industry.

Eminent-practiced independent contractors

They make up 22% of the workers. "High-skilled workers have advanced qualifications, a high level of experience or specialised skills in their area(s) of expertise." Tend to take on more challenging jobs and initiatives.

Data scientists, software engineers and software developers

Senior independent management, finance and strategic advisors

Content writers, copy writers and translators

Graphic designers and web designers.Graphic designers and Web designers.

However, the trend is that the percentage of medium level skill people is declining and the number of low level and high level skill people is increasing, said the report by NITI Ayog. Medium-skilled workers should continue to rule until 2030, but opportunities for gig work will be available for other skill levels as well.[3] The gig economy has been one of the most noticeable changes in the labour landscape in India over the last decade, gaining traction to become a significant part of the workforce. In 2020-21, 7.7 million workers were engaged in gig and platform work with a projected 23.5 million by 2029-30, due to the rising adoption of digital technologies and growing need for flexible workers. It's now a much bigger part of the job market in cities, towns, and semi-urban settings, and it makes a living for delivery partners, ride-hailing drivers, freelance designers, tutors, health care workers, and tech workers, and much more.[4]. The economy will create almost 12 million temporary jobs by 2030-2032, and there will be more than 100 major music performances held every year in the country, according to NLB Services. There is increasing demand for those capable of the skills and competencies in production, logistics, security, hospitality and the digital media.[5] In terms of quantitative and statistical factors, the size of the global gig-market is to expand from approximately $556.7 billion in 2024 to $2,146.9 billion by 2033. The Indian gig economy is set to reach $455 billion by this year, says a report.[6] The Ministry of Labour and Employment estimates that the gig economy will

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reach a size of almost 62 million people by the year 2047, when India will be transformed into a Viksit Bharat. Workforces are on one hand regarded as pools of work-ready and cheaply exploited workforce and on the other as a symbol of adaptability and adaptable job preferences.[7]

“The present scenario of the gig economy in India” is as follows:

India has become “one of the world's top places for gig workers, ranking fifth - the USA, China, and Brazil, being the top three.” Some 15 million skilled people were freelancing which is roughly 40% of global freelancers. Experts predict 17 per cent growth per year and the value of the industry is expected to be $455 billion by 2024. This growth may be twice the amount expected before the COVID-19 outbreak. The number of gig job opportunities in India is expected to reach up to 350 million by 2025. With the gig economy taking off in India, the working conditions of people at the bottom of the pyramid are extremely tough. A recent multi-city survey of more than 10,000 cab drivers and delivery persons across the cities has revealed several facts about the ongoing problems in this specific segment such as long working hours, below-living standard wages, arbitrary identity (ID) deactivation or blocking by platforms and high physical and mental stress etc.41 per cent of cab drivers and 48 per cent of delivery men said they couldn't take one day off in a week, the report said. Eighty-six per cent of delivery staff concurred that the 10-minute instant delivery was totally unacceptable to their service. Almost 83 per cent of cab drivers and 78 per cent of delivery people reported working more than 10 hours a day, according to a report, “Prisoners on Wheels” by the University of Pennsylvania and the IFAT, which stated that the lack of time off has been causing a burnout and affecting their mental and physical health as 99.3 per cent drivers reported one or more physical health problems including body pain, while 98.5 per cent of the respondents claim to have one or more mental health issues owing to this work, such as anxiety, stress, panic, irritability, short-temperedness, and panic attacks etc. Over 70 per cent of the cab drivers and delivery persons monthly earnings are less than the basic pay scale, which results in financial problems in paying their monthly household expenses.[8]

According to a report by CII in co-publication with World Economic Forum (WEF) titled “Future of Technology - Jobs of the Year 2024-2028” the number of tech jobs to grow in India is expected to reach 2.73 million by 2028. In India, 12.3 million gig workers were present in 2020, and 23.5 million by 2030, with a good number of gig workers already engaged in their work full time and earning regular incomes. Improving skills, income security, and social protection portability can have a positive impact on productivity and help make gig work a pathway to long-term economic mobility, the report finds[9]

The issues for Gig Workers are:

Digital Divide - Digital technology and Internet services may be a limiting factor for workers. **Data protection** – The decisions of platform companies with regard to data collection, storage and sharing of the workers personal data have an impact on the Right to privacy of workers.

Not having the status of 'employee': “Has brought a number of consequences to them, such as their inability to form unions to represent their interests, exploitative contacts etc.”

Uncertain Nature of Job: “Lack of job security, irregularity of wages, and uncertain employment status for workers”

No Social Protection: “Workers are not provided with any protection such as Health Insurance etc.”

Algorithmic management: “Workers face stress due to pressures resulting from algorithmic management practices and performance evaluation on the basis of ratings.”[10]

The effect of gig economy in India:

This section looks at two aspects of impact: positive and negative impact. These aspects are discussed in detail below:

The gig economy in India has a number of positive impacts as described below::

Employment Opportunities: India's gig economy is a good opportunity for employment, especially in a scenario that has seen rising unemployment and a decrease in conventional employment opportunities. The Indian Gig worker population has increased significantly by 68 lakhs in FY 2019-20 on 16.78 CAGR (Sood & Singh, 2023)

Gender Distribution: Majority (62.4%) of the gig workers work in the informal sector and a significant proportion (37.6%) work in the formal sector. The retail trade sector, interestingly, is an industry that has a high proportion of gig workers, like shop salespeople and store demonstrators (Sood & Singh, 2023).

Flexibility and Autonomy: The Gig economy offers increased autonomy and flexibility for the worker, allowing them to undertake several work opportunities and have room for personal life commitments. A flexible structure that fosters multiple sources of income and career development opportunities (Li 2023).

Opportunities and vulnerabilities Gig workers are exposed to a range of problems, including job security, rights and protection, and so on, in a context where there are opportunities. Economic downturns and disruptions due to pandemics add to these vulnerabilities (Kalbalia and Koushik, 2018, Kalbalia & Koushik, 2025).

Change in the traditional employment: The gig economy has a significant impact on the dynamics of

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the Labour market as it introduces new forms of on-demand and cost-effective Labour which challenges the traditional employment dynamics. This change requires companies to evolve to effectively handle a dispersed workforce (Li, 2023).

Need for Effective Regulations: It is critical to develop effective regulations to protect the rights of gig workers and provide fair treatment. However, there are some limitations to the current laws in terms of implementation and protecting worker rights (Kalbalia & Koushik, 2025).

Sociocultural Influences: The gig economy has economic impacts, but also a sociocultural impact which affects consumer attitudes and entrepreneurship. The gender gap in the gig work sector shows the need for the development of gender-responsive policies for enhancing job satisfaction and fostering gender equality (Sarker et al., 2024).

The impact of Technological changes: Digital platforms have a key role in the gig economy as they facilitate remote working and technological innovations that facilitate more participation in the Labour market. They have raised questions about the nature of work and the nature of the job, and are stealing the policy and academic limelight for their impact on the organisation of work and the nature of the job (Kaine & Josserand, 2019).

Future Policy Recommendations: Policies should not only address the issues of gig workers but also ensure equitable protection and benefit for gig workers and also ensure compliance while promoting economic growth (Mehta, 2020).

This analysis is a general exploration of the impact of the gig economy on India and a detailed discussion can reveal a number of issues such as socio-spatial networks, and the specific impact of COVID-19 lockdowns on gig work (Ray, 2024).

Potential Negative Impacts: India's gig economy has many negative impacts, as discussed below:

Lack of Job Security and Stability: Gig work may not be as secure or stable as other forms of employment. This means that workers have no fixed income or regular job, which can result in financial insecurity and stress (Huang et al., 2018; Kaine & Josserand, 2019).

No basic rights and protection of workers: Many of the gig workers in India do not have the rights and protection of the basic labour laws. This includes missing benefits, including health insurance, paid leave, and retirement plans, that are usually provided in formal employment settings (Kalbalia & Koushik, 2025)

Income Volatility: Gig workers can have unpredictable and erratic earnings, as their income can fluctuate based on the availability of gigs or projects. This volatility creates many difficulties for gig workers for financial planning (Li 2023)

AI could create problems with gig workers, such as not knowing what's being assessed, unequal assessment, and feeling controlled by a system without human intervention. These can cause dissatisfaction with work, and alienation (Kaine & Josserand, 2019; Wan et al., 2024).

There remains a significant gender gap in the gig economy, which leads to unequal opportunities and treatment of gig women workers in comparison to gig men workers (Kalbalia & Koushik, 2025).

Job autonomy can have positive effects but it can also lead to work alienation, thus impacting employees well-being and mental health in the workplace. The lack of workplace support and recognition can exacerbate such difficulties (Keith et al., 2020; Wan et al., 2024)

Inadequate Regulation and Implementation Barriers: Weak Regulation and Implementation Barriers: The regulation and enforcement of the legislation to protect gig workers are very weak. This is one of the reasons for the differences in working conditions between regions, and a factor that makes people working on gigs vulnerable to exploitation (Kalbalia and Koushik 2025).

The challenges underscore the necessity of strong regulatory policies to safeguard the rights of gig workers and
maintain the flexibility and agility of gig work.[11]

The changes in labour laws in India:

Engagement of "contract labour in India is regulated by the Contract Labour (Regulation and Abolition) Act, 1970" including through third party contractors. This legislation does offer scope for workers of platforms to become "contractors." This gives the employers a responsibility to fulfil these obligations under this law, including for Welfare and Health of employees - which means providing employees with facilities like a canteen, First Aid etc. However, this law has yet to be implemented by most platforms and is yet to be discussed in any Indian Court. It has been provided for in the Employment Compensation Act, 1923 that in case of an accident, which happens in the course and scope of employment, the employer will be obligated to pay the compensation. Whether Courts will apply this law to gig workers, is also not yet clear. This should be the case with gig workers as well, if it is, then this would make a huge difference towards compensating for the risk of the job.[12]

The Parliament of India has launched a new code of social security fund in 2019 which has the concept of gig and platform workers and determined the beneficial schemes for them. The nine enactments which amalgamated into the social security code in 2020, included informal or gig workers in this scheme including the Employees Provident Fund Act, 1952, the Maternity Benefit Act, 1961 and the Unorganized Workers Social Security Act, 2008. The gig workers will get protection under the new code such as minimum wages, maternity benefits, EPF funds, insurance benefits provided by state run employee's states insurance corporation etc. It also

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passed four labour codes to give benefit to the unorganized labourers. The codes for the new ones is given below:

The Code on Wages, 2019

This code is for all employees and in both the organized and unorganized sectors for the purpose of regulating remuneration and payment of bonus during their employment. It also provides for equal compensation for work of "alike" nature in all industries, trades, businesses and production plants. This code is a combination of all 9 codes of social security, maternity benefits code, employee's compensation act, pension act etc. This document has been produced relying on the Code on Occupational Safety, Health & Working Conditions, 2020. This code has provisions relating to the health and safety of those workers at work employed by 10 or more employees including those employed in mines and dockyards.

The Code On Industrial Relations, 2020

The Industrial Relations Code, 2020 merges three of the previous labour laws as a single bill in India to govern industrial relations. Covers issues such as conditions of employment, dispute resolution, strike and trade unions. The Code's purpose is to keep the industrial peace and to safeguard the rights of workers and give employers flexibility. [13]

Code on Social Security, 2020

The new Code brings down the number of workers from 100 to 300, thereby relaxing the 'of conditionality' in matters of hiring and firing. More than 300 employees to be closed off, laid off or retrenched must be done with the government's permission. Must be accompanied by a 60 day strike notice and discourages strikes prior to and within 60 days after the tribunal hearing. Employers will also contribute 15 days' salary to a new re-skilling fund for the retrenched employees, which is also introduced in the Code.

In this regard, the National Human Rights Commission had filed a writ petition in the Hon'ble Supreme Court on 14th June 2021 for improved conditions of gig workers, Platform Workers and migrant workers. The Hon'ble Supreme Court sought the Central Government and the State Governments to finalise the registration processes for these unorganized workers to avail the schemes brought in by the Central Government and different State Governments. Further, the Hon'ble Court directed all State Governments to file affidavits specifying the mechanisms of how dry ration is going to be distributed amongst these workers, under the Atma Nirbhar Bharat Scheme. [14]

This course serves as an introduction to the study of law and legal research for the context of gig work:

1. **ILO Recommendation No. 204 (2015)** Supports good employment, social security, minimum wages, fair work conditions and freedom of association of all workers (all types of employment contracts). It is relevant for gig workers as it will help formalise gig work and implement labour and social protection for gig workers without employment definition. Provides guidance of norms at international level for national legislation, including Code on Social Security, 2020 of India, based on welfare.[15]
2. **Uber BV v. Aslam[16]** This was an important decision in its own right issued by the UK Supreme Court which ruled that Uber drivers could be classified as "workers" rather than independent contractors. This entitled them to paid leave, social protection and minimum wage. The court noted that there was a power imbalance and Uber had a great deal of ownership over the amount of data that was produced by the drivers through the algorithm. The ruling may be interpreted as a precedent for Indian courts, as it shows that the judiciary can play a key role in reshaping what gig work entails.
3. **European Union – Platform Work Directive (2022, deliberations continue)** The EU has called for a directive which assumes that gig workers are workers, unless their platforms can demonstrate otherwise. This will ease access for workers to protections, rather than for companies to demonstrate. The directive also calls for the transparency of algorithmic management, and the option to have human involvement in the automated decision.
4. **AB5 (2019) United States California Assembly Bill 5** Under the 'ABC Test' AB5 mandates that gig workers be considered employees unless companies can prove them otherwise. However, Uber and Lyft and other companies fought back and Proposition 22 weakened the protections. This underscores the difficulties in harmonizing workers rights and corporate opposition. [17] There has been a significant role for courts and legislatures to address the power dynamics in the gig economy as has been replicated in the UK, EU and the US in comparative experience. Availability of justice in India is not only a matter of reforming the laws,

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but also a matter of the proactive recognition of gig workers as the rights-bearing laborers by the judiciary. The 'gig economy' is as much an issue of invisibility, precarity and justice as it is about low earnings, and unless systemic change is made, gig workers will continue to stay stuck in a vicious circle of all three. International labour standards and experiences need to be taken into account when tackling the rights of gig workers. Important guidance is given by the International Labour Organization (ILO) in its core conventions. The freedom of association, included in Convention No. 87, is the right for workers to form and join unions, is important for Gig workers because these workers are typically classified as independent contractors and are discouraged from organizing. Collective bargaining under Convention No. 98 empowers workers to establish collective agreements that provide them with just wages and working conditions, as opposed to one-sided online contracts. Most gig workers are not covered by the minimum standards for social security, such as health care, unemployment and pensions, that are provided under Convention No. 102. The EU has set a precedent on the Platform Work Directive (2024) taking a presumption of control approach to bring greater protections to labour worldwide. However, in California, Proposition 22 offers little to no benefit while maintaining the protections of being a contractor. It shows that a balance of flexibility and protection is needed in India and it can be done through the application of ILO principles and collective representation and coverage of social security benefits under the Code on Social Security, 2020. Comparative analysis of other jurisdictions contributing to the understanding of how gig workers can be legally protected. The EU's proposed Directive on Platform Work (2021) has a presumption of employment and places the onus on the employers, or platform owners, to prove that they are not. This takes power out of the hands of platforms and enhances worker protection. California's AB5 bill was like that in seeking to reclassify gig workers as employees in the United States. But, they are opposed by platform companies, and, in the case of Proposition 22, these protections were watered down by returning to the limited protections of being an independent contractor. As these examples show, no one model exists and yet it is a crucial issue to have a clear legal definition and enforcement. India is at a crucial juncture today. Although gig workers are now a part of the legal landscape, enforcement and judicial uncertainty render it hard to actually put their rights into effect. Reforms therefore need to be more than just symbolic, and create a balance between innovation in the platform economy and constitutional principles of social and economic justice. [18]

5. UK – Uber drivers were ruled as workers in the UK and given the right to a range of employment benefits such as paid holidays and minimum wage under the Employment Rights Act 1996.

6. KU Leuven came to the same conclusion as a court in the Netherlands, which decided that the legal relationship between Uber and drivers also fully meets the requirements of an employment contract.

7. **Germany** – Germany's Temporary Employment Act provides for equal pay and equal treatment of gig workers.

8. **Singapore** – It has also put forward proposals to legislate changes which will increase the availability of work injury insurance and pension benefits for these workers. [19]

An analysis of the constitutional protection given to Gig workers in India:

Article 14: Applies in circumstances where a gig worker is arbitrarily deactivated, decisions are taken relating to their work using algorithms, and algorithms are biased or they are treated differently without accountability.

Article 15: Article 15 prohibits discrimination based on different grounds and comes into the picture where the platform discriminates against workers of a particular gender on different grounds, such as discriminatory rating of the customers or unsafe working environments for women.

Article 16: Article 16 is about equality in public work and is indicative of the general constitutional principle of equitable opportunities for living to all people.

Article 19(1)(c): Article 19(1)(c) provides for freedom of association and union, however gig workers are not considered employees and are therefore subject to many difficulties in organizing themselves. There are cases where platforms are rejecting collective bargaining talks and gig worker unions have no legal recognition and are not as effective as a bargaining tool.

Article 21: which guarantees the right to life and personal liberty, has been construed by the courts as encompassing the right to livelihood, dignity, health and safe working conditions. But it is a constitutional promise that is believed by gig workers in real lives,

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especially for delivery and transport workers, as they are often faced with the prospect of accidents, and without health insurance, they work long hours.

Article 23: Among the important articles is Article 23, which prohibits forced labor. Gig work isn't necessarily forced upon people and for most gig workers they're doing it because they have to accept it, they're earning very little and they don't want to offend it because there are algorithmic consequences. [20]

The Directive Principles of State Policy (Articles 38, 39, 41, 42 and 43) emphasize on the aspects of social justice, adequate livelihood, equal pay, humane working conditions and social security. Constitutional aspiration is not possible with the conditions of being a gig worker and lacking job security, fair wages, protection and welfare. While non-justiciable, DPSPs compel the State to develop policies and laws to safeguard gig workers and elevate dignity of labour in the platform economy like the Code on Social Security, 2020. [21]

Significant Case Laws:

Ola and Uber Drivers Union v. State of Maharashtra: Bombay High Court in Union of Ola and Uber Drivers v. State of Maharashtra: Bombay High Court says gig workers do not get legal protection to the full extent.

Zomato Delivery Partners v. Zomato: Emphasised that there is no formal employer-employee link.

Dynamex Operations v. Superior Court[22]: Paved the way for the AB5 Law to reclassify gig workers as employees. [23]

All India Gig Workers Union v. Uber India Systems Pvt. Ltd: Gig workers who have been standing firm against Uber's practices by challenging the failure to provide them with minimum wage and social security benefits. This highlights the continued fight to secure fair compensation and benefits in the gig economy, seeking to redefine the employer-employee relationship in these digital platforms. [24]

In India, gig economy workers don't have any specific legal safeguards. There is no special law for the protection of gig workers in India.

Labour Welfare Funds and Cess Acts have contributed significantly in ensuring targeted welfare benefits of labourers in certain informal sectors of India for their betterment in life and job.

a) The Beedi Workers Welfare Fund Act, 1976 was introduced to provide medical treatment and other facilities of health and welfare to the Beedi Workers such as shelter and education etc. Considering the precarious standing of beedi workers, employed in hazardous industries with very little or no wages is an indicator of the need to give them access to basic social security measures (Qasim & Daniel, 2021).

b) The Iron Ore Mines Labour Welfare Fund Act, 1976 was enacted to ensure welfare to workers working in the iron ore mines which is one of the most difficult and hazardous industries of the country. Under this Act, the health benefits, insurance and compensation of workers in case of work injuries are provided.

c) Building and Other Construction Workers Welfare Cess Act, 1996 was passed and funds were allocated for welfare funds of building industry workers. The main object of this Act is to alleviate the precarious situation of construction workers, who are generally working in unregulated conditions and in order to provide for some benefits such as health insurance, housing facilities and financial facilities in the event of accident or death (Sharma & Mohanpuria, 1996).

d) Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 Though an action was taken to protect the rights of urban street vendors in the form of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 enacted with that purpose, the Act is for regulating street vending activities and protecting the vendors from eviction, harassment etc. It requires setting up of Town Vending Committees to conduct surveys of street vendors and giving them certificates of vending which regularises the street vendors status and safeguards their rights (Kumar, 2014). [25]

e) The Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023 is a state legislative process, and not a court case. The Act was enforced on 24 July 2023, making social security and welfare rights of gig workers a statutory matter for the first time in India with Rajasthan being the first state in the country to do so. The Act establishes a welfare board, registration of gig workers, a welfare cess on every transaction and mechanisms to address grievances, which are crucial for decentralising the regulation of the gig economy in India. [26]

The lack of legislation and policy in India are a hindrance:

Limited Social Security: India's new labour codes are limited in terms of providing social security; gig workers are not mentioned as workers. It is similar to the issues of the comprehensive environmental clearance process.

State-Level Welfare: State legislation also has some incremental improvements for welfare, however, failing to enforce labour rights (minimum wage, collective bargaining etc) like the diversity of state-level environmental laws.

As in the case of ex-post environmental approvals, however, there is a lack of clarity, with gig workers falling directly in a grey area of the law, to be subjected to arbitrary decisions in accordance with

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an algorithm.

Enforcement Vacuum: Labour is also unable to access labour courts, dispute resolution or even protection against unfair dismissal, without having an employee status, as was the case with provisions of environmental democracy.

Delayed Reform: India's law has yet to internalize platform capitalism jurisprudence as cultural norms in the world are constantly evolving to address these new challenges. [27]

The government has made efforts to encroach on the gig economy in India:

Pradhan Mantri Shram Yogi Maandhan (PMSYM): A pension scheme for the workers of the unorganized sector, such as gig economy workers.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY): Life insurance policy for unorganized workers. [28]

Code on Social Security (2020): It clearly defines a gig worker and also provides for several benefits to gig workers with the design of schemes such as life cover, disability cover and accident insurance.

E-SHRAM Portal (2021): It is a national portal for unorganised workers such as gig workers. It gives the option to take advantage of welfare and social security benefits that are offered from the government.

States/UTs: are also sensitized to use e-Shram portal for the registration of platform workers. To maximise the enrolment of the platform workers on e-Shram portal, three special registration drives were held at national, State and U.T. level in the months of April, May and August-September, 2025. Multiple rounds of deliberations with Aggregators, Knowledge Partners and Platform Workers Unions/Associations and State Government/UTs have been held for the social security framework of gig and platform workers. [29]

National Social Security Board: Set up to oversee and coordinate social security for organised or unorganised sector workers including gig workers. Puts forward welfare policies for gig workers.

State- Position Actions:

Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023: A provision to pay a welfare cess to gig workers in the state at the rate of 2% of the aggregate gross receipts of the employer/aggregator on a monthly basis.

Karnataka Gig Workers Bill, 2024: Suggests provisions for setting up of Gig Workers Welfare Board. [30]

Arogya Yojana (AB - PMJAY): This scheme will be available to the gig workers registered under the E - Shram portal from 2025, and will provide them access to quality healthcare. [31]

Pradhan Mantri Suraksha Bima Yojana (PMSBY): All registered unorganised, including gig workers are entitled to accidental insurance benefits. [32]

The new Labour Law 2026 has also paved the way for recognizing and covering gig and platform workers by providing benefits to them including life & disability cover, accident insurance, health & maternity cover, old age cover etc.

All India Council for Technical Education (AICTE) The Gig economy and freelancing are the priority areas that are identified by the All India Council for Technical Education (AICTE) for the skilling and resilience of the Indian economy. [33]

CONCLUSION: Gig Economy plays a vital role in today's Indian workforce, offering flexibility, innovation, and ample job opportunities. However, the newfound precarity of work has put the gig economy workers at risk of reduced income, no social security, algorithmic management and justice exclusion. India's formal recognition of gig workers in the Code on Social Security, 2020 is good, but it is not backed by robust and enforceable labour rights and enforcement mechanisms.

Findings from comparative experience across jurisdictions, including the United Kingdom, the European Union and the United States, show that a combination of legislative clarity and judicial intervention are needed to effectively regulate gig work, as there is a power imbalance inherent in platform capitalism. Gig Workers also have constitutional protection of equality, dignity, livelihood and social justice, which further reinforces the State obligation with regards to freedom from exploitation.

In order to sustain the development of the gig economy, India has to advance past welfare-based policies and create a complete and balanced policy structure that is flexible yet protective. This involves improving the legal definition, social security insurance, transparency in algorithms and modes of collective representation. These changes will help to ensure that gig workers are not placed in a vicious cycle of invisibility and insecurity, which will undermine the constitutional right to dignifying and fair work in the digital economy.

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