

LEGAL PROTECTION OF GIG ECONOMY WORKERS IN INDIA: A CRITICAL STUDY

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ABSTRACT

This study utilises a sociological perspective to analyse India's gig economy, emphasising how social inequalities and workers' rights interact. The gig economy brings several issues, especially with respect to labour regulations, but it also provides flexible job options. This study intends to thoroughly examine the current state of gig workers in India with respect to precarious conditions at work, a lack of social security, quality of life, and a lack of legal protections in order to identify the major challenges that underlie it. It finds that ambiguity in employment status is the primary cause of issues like limited access to basic benefits like health insurance, incentives, pension plans, minimum wages, and many more the impact of the gig economy on contract work rules is examined in this research. The research focusses on legal sources, policy papers, and court decisions rather than gathering actual data in the field in order to determine the normative premises behind whether platform regulation is carried effectively. This research examines at the laws that regulate gig workers in other important nations and then contrasts them with the regulations in India. After that, a critical analysis of the current legal landscape is conducted in order to find any gaps and supplement the recommendations offered to strengthen the protection of gig workers' rights. Through a comparative study of global regulatory frameworks and a detailed examination of the Indian approach, this article delves further into the issues facing the gig economy and provides suggestions for its management. The purpose of this paper is to contribute to the current national and international discussion on gig economy regulation by outlining a smoother path for equitable and long-term employment in the present day.

Keywords: - Gig Economy, Labor Protections, Rights and Social, Regulatory Frameworks, Policy Documents, Social Security, Indian Counterpart, Gig Workers' Rights, Sustainable Employment.

I. INTRODUCTION

Over the last 20 years, the range of work opportunities has increased due to the expansion of technical infrastructure and greater knowledge of it. "Gig workers" and "platform workers," who are the product of this global expansion of digital technology, make up a growing portion of the workforce in India and throughout the globe. The gig economy's rapid growth is driving the global economic revolution. India is in a position to spearhead this technological revolution with relation to gig workers due to rising smartphone usage, increasing urbanisation, and improvements in associated technologies.

A financial structure known as the "gig economy" occurs when companies or individuals hire independent freelancers. Artists began using the term "gig" informally to refer to activities that had a set time. A "gig worker" is a person who accepts a temporary job with unusual working conditions and is expected to do it within a certain amount of time. The term "Platform Workers" is also often used in reference to the gig economy and mostly refers to employees that work for companies that offer services

to customers directly via web-based platforms. Even if dependence on the web may be a key factor in distinguishing gig and platform workers, the nature of labour remains the same

An Overview of India's Gig Economy

The word "gig" was first used some decades ago as a slang term for a short-term, time-limited work assignment. Musicians called these performance contracts "gigs." Although temporary or gig work has long been prevalent, the growth of online platforms has significantly increased the market for these positions. These days, the term "gig economy" refers to any contract, freelance labour, or temporary employment that is completed on an assignment-by-assignment basis and for which the worker receives payment at the conclusion of the task. One may describe a preliminary arrangement or agreement between a service providers and a services seeker as contractual.

Numerous shifts have occurred in the employment market in recent years, mostly due to the growth of the gig economy, which is changing the economic landscape around the labour industry and these gig

employees. In its 2019 report on the "shifting nature of work," the World Bank estimated that fewer than 0.5% of the world's active labour force participated in the gig economy globally, compared to less than 0.3% in countries that are developing.

There are 15 million competent independent contractors, sometimes referred to as freelancers, in India, which accounts for 40% of the global gig labour market and the world's fifth-largest the gig economy. India's gig economy grew from 0.54% of all workers in 2011–12 to 1.33% in 2019–20, according to the 2022 NITI Aayog study "India's Booming Gig and Platform Economy" (NITI study). By 2029–2030, there will also be an estimated 23.5 million gig workers.

Gig workers are a common sight. Everywhere—on highways, in back streets, in crowded booths, on lonely roads. They serve customers, shops, and cab services 24-hour a day while seated in their cars. Since their compensation is determined on their performance reviews, they work hard to complete the task. One significant effect of the smartphone revolution, which has created a new kind of workforce in the Indian market, is the phenomenon known as the "gig economy." They occur in many forms.

1.1 India's Current Labour Laws and Gig Workers' Situation

The Indian labour market is changing due to the current gig worker trend. The gig economy and technology innovations have changed the conventional notion of the work structure, which presents significant problems to the labour law system. A particular set of labour laws control the employment sector and provide a thorough framework for defining and protecting the rights of both employers and workers. Employers and workers may have a variety of partnerships in the employment market, including contract labour, migrant labour, and employer-employee ties. Employees in an unorganised economy and gig workers are the two primary types of interactions in the employment marketplace.

India's gig economy is comparable to those of other nations in that it is divided into two groups: platform employees and non-platform workers. In India, an individual is regarded as a gig worker if they work for an organisation that does not have the usual employer-employee relationship. Platform workers are gig workers that communicate with clients using online algorithm matching systems, such websites or apps like Uber or Amazon. An employee that works outside of such platforms is known as a non-platform worker.

In contrast to traditional employment systems, gig labour often lacks the legal protections and social safety nets that uphold workers' rights. Many gig

workers are thus put in a precarious situation as they navigate a system that values flexibility above safety. Existing socioeconomic, gender, and caste-based social injustices, which may have a substantial impact on workers' experiences and access to resources, exacerbate this vulnerability even more.

Both the desire of traditional workers to become self-sufficient and utilise it as a source of additional income and consumer demand for independent services to diversify their staff have led to the formation of the gig economy in the country. The NITI Aayog questionnaire predicts that employees in the gig economy would increase by 200% over the next 10 years, from 7.7 million to over 23 million. In the nation, well-known companies that hire gig workers include Blink-it, Zomato, Swiggy, Uber, and Ola.

Despite its initial portrayal as a one-stop shop for employees, offering an idealised work-life balance teeming with opportunities, freedom, freedom, cost-effectiveness, and diversity, this glitz is just a cover for the horrors of job insecurity, financial instability, compensation benefits, and cultural solidarity, all of which violate a worker's fundamental rights. Furthermore, the Indian labour rules feature a blind hole that upholds an antiquated concept of what an "employee" is, meaning that overworked and underpaid employees have little to no safety. Due to the short-term nature of the employment, this blind spot necessitates the establishment of a continuous master-servant connection in order to profit from the provisions of the Indian labour rules. This presents significant challenges for gig economy employees.

The 2019 Code on Social Security provides a Social Security Fund for gig workers, amongst other features. Additionally, the Code includes benefits like accident insurance, old-age protection, disability coverage, and health and maternity-related programs to ensure the safety and monetary security of gig workers. Based to 2022 research by Niti Aayog, more over 77 lakh people were employed in the gig economy in 2020–21. By 2029–2030, it is anticipated that 2.35 crore workers have been attracted to the gig economy. High-skilled occupations account for 22% of gig workers today, low-skilled jobs for 31%, and middle-skilled jobs for 47%.

The length of the employment connection, the kind of job performed, and the employee's legal categorisation are some of the factors that are used to categorise this workforce. '1Gig work platforms provide enough financial possibilities, but they are blamed for contributing to problems with job security, commercialisation, and employment fragmentation worse. It is challenging to control the gig economy because of the triangle interaction that exists between the manufacturer (the worker), the consumer (the

customer), and the digital business. Some kind of arrangement governs the connection between the aggregator and the producer.

The initial jurisdiction in the US to regulate gig workers differently from regular workers was California in 2019, a state that led the way in creating regulations for gig workers. In the case of *Dynamex Business Operations West, Inc. v. Superior Court of Los Angeles*, the U.S. Supreme Court of California discussed numerous significant matters, including those concerning gig economy workers. Several transport specialists, or drivers, were staff members by *Dynamex Operations West, Inc. ("Dynamex")*, a US-based firm that offered countrywide courier delivery solutions, however they were designated as independent contractors rather than employees.

For labourers (in EU member states) engaged in short-term employment, on-demand contracts, or equivalent arrangements, the European Union ("EU") recently published the Directive of the European Parliament and of the Council on transparent and predictable terms of work ("Directive"). In addition to regulating the openness of working conditions, this regulation acknowledges fundamental freedoms for platform, voucher-based, and on-demand employment. The Directive does not apply to independent contractors, even though it acknowledges a set of basic rights within these zero-hour and on-demand terms.

II. LITERATURE REVIEW

Shireshi, S. S. (2022) The number of individuals engaged in "flexible" labour, or "gig" employment, has steadily increased over the last several decades. This has sparked conversations on its many aspects, such as the way of life, mental health, equitable treatment, and general well-being of gig workers.

Rane, V. (2023) "Deliveries at your doorstep," "instant delivery in 10 minutes," "at the convenience of your home," and "anywhere, anytime" were formerly limited to the upper level of society, but they have now become the new standard for our regular customers.

Zaidi, M. (2022) The analysis exposes the unstable nature of gig labour and challenges the notion of "flexibility," which has often been cited as the factor contributing to the gig economy's appeal to workers worldwide and particularly to women workers. These new employment structures continue to deprive workers of any legal or societal safeguards.

Yadav, P. (2022) The gig economy has completely changed the nature of work, making it harder to distinguish between self-employment and regular employment. The gig economy has grown significantly in India and many other nations due to shifting job choices and technology improvements.

Deepak, D. (2024) Globally, the gig economy is expanding rapidly, with gig workers accounting for a growing share of the workforce in India. However, since present labour laws and social security systems are primarily designed for full-time employees, gig workers are not entitled for fundamental benefits like health insurance, retirement funds, monetary time off, and insurance for unemployment.

Sahoo, C. K. (2023) The world is becoming more digital, thus now is the time for a legal framework. Some wealthy nations are in the process of implementing the regulatory framework or have already taken legislative action on the gig business model.

1.2 Objectives of the study

1. To investigate India's present legal system for gig economy workers, including labour laws, social security programs, and contractual safeguards.
2. To evaluate the ways in which existing labour laws and regulations protect gig workers in sectors such as ride-sharing, food delivery, and freelancing platforms, as well as any gaps in this legislation.
3. To research gig work-related legal and policy developments in India, including pertinent court rulings and government programs (such as the 2020 Code on Social Security).

1.3 The Scope of the study's

This research looks at the rights, legal protections, and working circumstances of Indian gig economy workers, specifically focussing on platforms like Ola, Uber, Swiggy, Zomato, Amazon, and Urban Company. It aims to investigate how gig and platform-based jobs are governed in India by the current legal system, legislative initiatives, and court rulings. The study focus on:

1. Examine the current Indian labour regulations, such as the 2020 Code on Social Security and other pertinent laws, regarding gig workers.
2. Examine government announcements, court rulings, and labour organisation, ILO, and NITI Aayog reports on gig employment.
3. Evaluate gig workers' issues, including their lack of social protection, collective bargaining rights, employment stability, and fair pay.
4. Examine legislative safeguards for gig workers in other nations (such as the UK, USA, and EU) in order to find potential models for India.
5. Propose policy changes and proposals to improve gig workers' welfare and legal standing.

The study's scope is restricted to the legal and economic environment of India, and its primary emphasis is on gig platforms that operate in metropolitan areas and employ digital applications. It excludes workers in the conventional unorganised or informal sectors who do not use digital media.

III. METHODOLOGY

1. Research Design

The study adopts a qualitative and doctrinal research design. It primarily relies on the analysis of existing laws, judicial decisions, and secondary data to understand the legal status and protection mechanisms available to gig economy workers in India. The study also incorporates elements of comparative and empirical approaches to provide a holistic understanding of the issue.

2. Nature of Study

The character of this study is both analytical and descriptive. Analysing the effectiveness of present safeguards under Indian labour laws and outlining the current legal framework guiding gig workers are its two main objectives. Additionally, the research compares Indian legislation with international norms and investigates suggested modifications.

3. Sources of Data

a. Primary Sources

✓ **Legal Documents and Statutes:**

- The Code on Social Security, 2020
- The 2020 Code for Occupational Safety, Health, and Working Conditions
- The Industrial Relations Code, 2020
- The Code on Wages, 2019

✓ **Judicial Pronouncements:** Relevant rulings on gig work, contractual employment, and labour rights from the Supreme Court and High Courts.

✓ **Government Reports and Policy Documents:** For instance, reports from Parliamentary Standing Committees, Labour Ministry circulars, and NITI Aayog's reports on gig and platform workers.

b. Secondary Sources

- Research articles, legal reviews, and scholarly publications about labour law and the gig economy.

- Expert views, articles, and commentary that appear in online legal databases and publications.
- Global research and reports on gig and platform employment published by the World Bank, OECD, and ILO.

4. Data Collection Methods

Digital searches for databases and studies conducted in libraries are used to get the data. Government portals, HeinOnline, SCC Online, JSTOR, and Manupatra are cited as reliable sources. Statistics on gig employment and other empirical data are gathered from government papers and investigations, such as the Periodic Labour Force Survey (PLFS) and NITI Aayog.

5. Data Analysis

The study employs both comparative legal analysis and content analysis. By critically examining the content of laws, policy documents, and court decisions, one may identify the shortcomings and inconsistencies in the legal protection system. India's approach is evaluated using comparative analysis in light of international standards, particularly those of countries such as the US, UK, and EU.

6. Scope and Limitations

The study's primary focus is the Indian legal and policy structure as of 2025. Even when examples are offered from other nations for comparison, the safeguarding of gig and platform workers in India remains the main emphasis. Current legislative changes and limits on access to personal information may make certain results subject to modification.

IV. CONCLUSION

India's population is increasing, yet a significant percentage of the workforce still performs unskilled labour, contributing to the country's ongoing unemployment problem. This highlights the vulnerability of workers who use internet platforms. In order to protect these workers' rights, we need to classify the kinds of labour they do on these digital platforms and the regulations that apply to them. In order to identify these workers and protect their rights, we must move ahead since a lot of work is being performed with technologies and consumer behaviour is becoming more significant. The "gig economy" is one of the job market's most vulnerable businesses.

This essay emphasises how urgently a sociological understanding of India's gig economy is needed, with a particular emphasis on social inequality and workers' rights. We can contribute to policy conversations and promote a more equal labour market by elevating the voices of gig workers. In India, the gig economy embodies a complicated

interplay between vulnerability and opportunity. Technology has revealed important gaps in workers' rights and worsened already-existing socioeconomic inequities, even while technology has created new opportunities for employment and revenue production, especially for marginalised individuals.

Although gig work is still one of the most flexible job arrangements, it also has a lot of drawbacks. Establishing a legal framework that takes into account both the gig workers' and aggregators' financial standing while making sure that no one is put in danger is, in fact, essential. A thorough reform should be possible with a multi-stakeholder approach and a hint of Marxian thinking. India can try to establish labour laws that are fairly inclusive and uphold the rights and dignity of all workers.

Although the Social Security change is a good step, it is not enough to safeguard the rights of the vast majority of gig workers. To bridge the loopholes in Indian law and safeguard gig workers, additional significant reforms and national modifications are needed. It is necessary to expand the meaning of "employer" to include individuals who are financially responsible for their employees' social security. Certain restrictions on service aggregators might be imposed by the regulatory structure, safeguarding rights against.

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