
WELFARE MEASURES FOR GIG WORKERS IN INDIA: A DOCTRINAL STUDY ON PERSPECTIVES AND IMPLEMENTATION

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ABSTRACT

The gig economy has transformed the nature of employment by introducing flexible, task-based work arrangements facilitated by digital platforms. While it provides income opportunities and flexibility, it also raises serious concerns regarding labour rights and social security. This paper examines the concept of the gig economy, its growth in India, and the legal challenges faced by gig workers. It critically analyses existing welfare measures and highlights gaps in the regulatory framework, emphasizing the need for comprehensive reforms to ensure worker protection.

Keywords: Gig Economy, Platform Workers, Labour Law, Social Security, India.

I. INTRODUCTION

The traditional model of employment—characterized by long-term contracts, fixed wages, and structured employer–employee relationships—has undergone a significant transformation due to globalization and technological advancement. The rise of digital platforms has led to the emergence of the gig economy, where work is flexible, short-term, and task-based.

In India, the gig economy has expanded rapidly in sectors such as transportation, food delivery, logistics, and freelancing. This growth has created employment opportunities for millions, particularly for those seeking flexible or supplementary income. However, gig workers are typically classified as independent contractors, excluding them from labour protections such as minimum wages, health benefits, paid leave, and job security.

This dual nature of opportunity and vulnerability raises important legal and policy concerns. Although recent labour reforms in India have begun recognizing gig workers, effective welfare mechanisms remain limited. This study aims to analyse the legal framework governing gig workers and assess whether it adequately safeguards their rights.

II. CONCEPT AND NATURE OF THE GIG ECONOMY

The term “gig economy” originates from the entertainment industry, where performers undertook short-term engagements. Today, it refers to a labour market based on temporary, freelance, or task-based work facilitated by digital platforms.

Gig work operates primarily through online intermediaries that connect workers with consumers. These include services such as ride-hailing, food delivery, home services, and digital freelancing. Gig workers are generally classified as independent contractors, which significantly impacts their legal rights and access to social security.

The gig economy can be broadly categorized into:

- Platform-based work, involving app-mediated services like transportation and delivery.
- Freelance work, involving professional services such as writing, design, and software development.

While gig work offers flexibility and autonomy, it also results in income instability and

algorithmic control. Platform algorithms determine work allocation, pricing, and ratings, directly influencing workers' earnings and job security.

Globally, the legal status of gig workers remains debated. Some jurisdictions have recognized them as a distinct category requiring specific protections, while others continue to treat them as independent contractors. India is gradually moving toward recognition, but comprehensive regulation is still evolving.¹

III. GROWTH OF PLATFORM-BASED EMPLOYMENT IN INDIA

India has witnessed significant growth in platform-based employment over the past decade. Factors such as increased smartphone penetration, affordable internet access, and demand for convenience-based services have contributed to this expansion.

Digital platforms have lowered entry barriers, enabling individuals to access employment without formal qualifications or complex hiring processes. This has made gig work particularly attractive for youth and informal sector workers.

The COVID-19 pandemic further accelerated this trend. Increased reliance on online services and economic disruptions led to a surge in gig work participation.

However, this growth has also exposed structural vulnerabilities.

Gig workers in India often face:

- Irregular and unpredictable income
- Lack of social security benefits
- Long and unregulated working hours
- Limited bargaining power
- Dependence on opaque platform algorithms

Although the government has acknowledged gig workers in recent labour policies, the

¹ International Labour Organization (ILO) Reports on Gig Economy

regulatory framework remains inadequate. Existing laws do not fully address issues of income security, workplace protection, and welfare benefits.²

IV. SIGNIFICANCE OF THE STUDY

The gig economy represents a rapidly growing segment of the labour market, making worker welfare a critical issue. This study is significant as it highlights the legal and policy gaps affecting gig workers in India.

From a socio-economic perspective, gig workers contribute substantially to economic activity, yet remain among the most vulnerable sections of the workforce. Ensuring their welfare is essential for inclusive development.

Academically, the study contributes to the evolving discourse on labour law by examining new forms of employment relationships in the digital age. It also provides insights for policymakers to design effective and balanced regulatory frameworks.

V. RESEARCH METHODOLOGY

This study adopts a doctrinal research methodology, relying on secondary sources such as statutes, judicial decisions, academic literature, and government reports.

An analytical and critical approach is employed to evaluate existing welfare measures and identify gaps in their implementation. The research assesses whether current legal frameworks adequately protect gig workers and highlights the need for reforms to strengthen their social security and labour rights.

VI. GROWTH AND STRUCTURE OF THE GIG ECONOMY IN

INDIA

The gig economy has emerged from significant transformations in employment driven by globalization, technological advancement, and evolving labour market dynamics. Traditional employment, characterized by long-term contracts and defined employer–employee relationships, is increasingly being replaced by flexible, task-based work facilitated through

² Code on Social Security, 2020 (India)

digital platforms.

Historically, gig work developed from freelance and temporary labour practices, where professionals undertook short-term assignments for multiple clients. With the growth of the internet and digital technology, this model has expanded into platform-based work connecting workers directly with consumers. In India, the gig economy has grown rapidly due to increased smartphone penetration, affordable internet access, and digital payment systems. Government initiatives promoting digital infrastructure have further accelerated this growth. The COVID-19 pandemic also played a crucial role by increasing reliance on online services and pushing many individuals toward gig work as an alternative source of income.

Gig work is primarily characterized by flexibility, allowing workers to choose their working hours and workload. While this autonomy attracts many individuals, it is often accompanied by income instability, as earnings depend on demand and platform algorithms. Gig work is also task-based, involving short-term assignments rather than continuous employment relationships, thereby limiting job security.

A defining feature of the gig economy is the classification of workers as independent contractors. This classification excludes them from traditional labour protections such as minimum wages, paid leave, and social security benefits. In India, the Code on Social Security, 2020 marks a significant step by recognizing gig and platform workers under Sections 2(35) and 2(61)³. However, despite this recognition, effective implementation of welfare measures remains limited.

Digital platforms serve as intermediaries connecting workers and consumers through mobile applications. These platforms generate revenue through commissions and exercise substantial control over pricing, task allocation, and performance evaluation. This has led to ongoing debates regarding whether gig workers should be treated as independent contractors or employees.

Judicial decisions have played an important role in shaping this debate. In *Uber BV v Aslam*⁴, the UK Supreme Court held that Uber drivers qualify as “workers” entitled to labour protections such as minimum wage. Similarly, *Dynamex Operations West, Inc. v Superior*

³ Code on Social Security, 2020, §§ 2(35), 2(61)

⁴ *Uber BV v Aslam* [2021] UKSC 5

Court introduced the “ABC test” to determine employment status and prevent misclassification. Although these rulings are from foreign jurisdictions, they offer persuasive guidance for addressing similar issues in India.

Another key feature of the gig economy is algorithmic management. Platforms rely on algorithms to assign tasks, determine pricing, and evaluate worker performance through rating systems. While this enhances efficiency, it creates indirect control over workers, raising concerns about transparency and fairness. Such control challenges the notion of gig workers being fully independent.

The gig economy in India spans several major sectors, including transportation, food delivery, logistics, home services, and digital freelancing. Ride-hailing and delivery services form the largest segments, driven by urban demand and ecommerce expansion. Freelancing platforms have also enabled professionals to provide services globally, increasing employment opportunities across skill levels.

Technology plays a central role in the functioning of the gig economy. Mobile applications enable real-time task allocation and communication, while data analytics and artificial intelligence optimize operations and demand forecasting. However, the reliance on technology raises concerns related to data privacy, algorithmic bias, and lack of accountability in decision-making processes.

Gig workers contribute significantly to the Indian economy by supporting essential services and enabling the growth of digital markets. They enhance efficiency in transportation, delivery, and e-commerce sectors while also contributing to employment generation. Many individuals depend on gig work as either a primary or supplementary source of income.

Despite these contributions, gig workers remain vulnerable due to the absence of comprehensive social security protections. In *Indian Federation of App-based Transport Workers v Union of India*⁵, the Supreme Court acknowledged concerns regarding the lack of social security for gig workers and emphasized the need for appropriate policy interventions. This reflects increasing judicial recognition of the challenges faced by gig workers in India.

The gig economy is expected to continue expanding with advancements in artificial intelligence

⁵ *Indian Federation of App-based Transport Workers v Union of India*, W.P. (C) No. 1068/2021

and digital technology. While these developments may create new opportunities, they may also disrupt existing forms of work. At the same time, there is growing recognition of the need to regulate gig work and ensure worker welfare.

Balancing flexibility with protection remains a key challenge for policymakers. Strengthening social security frameworks, clarifying worker classification, and ensuring fair working conditions are essential for the sustainable growth of the gig economy in India.

VII. CONCEPTUAL AND THEORETICAL FRAMEWORK OF GIG WORK

The gig economy can be better understood through various theoretical frameworks that explain its structure, worker conditions, and legal challenges. These frameworks highlight the inequalities, risks, and evolving nature of employment relationships in platform-based work.

One of the most relevant theories is Labour Market Segmentation Theory, which challenges the idea of a unified labour market. It argues that labour markets are divided into distinct segments with varying levels of security, wages, and opportunities. The primary labour market consists of stable jobs with higher wages, career growth, and social security benefits. In contrast, the secondary labour market is characterized by low wages, job insecurity, and limited protections.

Gig work largely falls within the secondary labour market. Gig workers often experience irregular income, lack of job security, and minimal access to welfare benefits. While digital platforms present gig work as flexible and entrepreneurial, in reality, it often resembles informal and precarious employment. This theory helps explain why gig workers remain vulnerable despite the rapid expansion of digital platforms and highlights the need for regulatory intervention.

Closely related is the concept of precarious employment, which refers to work arrangements marked by instability, insecurity, and lack of legal protections. Gig work exemplifies precarious employment due to its task-based structure, absence of long-term contracts, and dependence on fluctuating demand. Workers face uncertainty regarding income and future opportunities.

A key feature of precarious employment in the gig economy is the shifting of risks from employers to workers. Unlike traditional employment, where employers provide benefits such

as health insurance, paid leave, and workplace safety, gig workers are responsible for managing these aspects themselves. This shift reduces costs for platforms while increasing economic vulnerability for workers. The rise of precarious employment reflects broader global trends such as labour market deregulation, technological change, and increased competition.

Another important framework is platform capitalism, which explains how digital platforms organize labour and economic activity. Platforms act as intermediaries connecting workers and consumers while relying heavily on data, algorithms, and digital infrastructure. Gig workers form the backbone of this system, performing services ranging from transportation and delivery to digital freelancing.

A defining feature of platform capitalism is algorithmic management. Instead of traditional supervision, platforms use algorithms to allocate tasks, determine pricing, and evaluate performance through rating systems. While this enhances efficiency, it also creates indirect control over workers, raising concerns about transparency, fairness, and autonomy. Critics argue that platforms exercise significant control over workers while avoiding the legal responsibilities of employers.

The issue of worker classification is central to the gig economy. The distinction between employees and independent contractors determines the legal rights available to workers. Employees are entitled to protections such as minimum wages, social security, and workplace safety, whereas independent contractors operate without such benefits and bear their own risks.

Most digital platforms classify gig workers as independent contractors, allowing them to avoid legal obligations associated with employment relationships. However, this classification has been widely debated. In *Uber BV v Aslam*, the UK Supreme Court recognized gig workers as “workers” entitled to certain protections, highlighting the extent of control exercised by platforms. Similarly, *Dynamex Operations West, Inc. v Superior Court* introduced the “ABC test” to determine employment status and prevent misclassification.

These developments have influenced global debates, with some jurisdictions introducing intermediate categories such as “dependent contractors” to balance flexibility with protection. The classification issue remains crucial in shaping labour rights and regulatory frameworks in the gig economy.

Labour rights in the gig economy remain limited due to this classification. Gig workers often lack access to minimum wage guarantees, social security benefits, and collective bargaining rights. Their earnings are task-based and unpredictable, and they frequently bear operational costs such as fuel, maintenance, and equipment. The absence of collective representation further weakens their bargaining power.

International perspectives provide valuable insights into addressing these challenges. Courts in the United Kingdom and parts of Europe have increasingly recognized gig workers as entitled to certain protections. In the United States, the issue remains contested, with ongoing legislative and judicial debates. International organizations have also emphasized the need to ensure fair working conditions and social security for gig workers.

These theoretical frameworks collectively highlight the structural inequalities and legal complexities of the gig economy. They demonstrate that while gig work offers flexibility and economic opportunities, it also creates significant challenges related to worker protection, classification, and rights. Understanding these concepts is essential for developing effective legal and policy responses that balance innovation with social justice.

VIII. LEGAL FRAMEWORK GOVERNING GIG WORKERS IN INDIA

A. Labour Law Framework and Recognition of Gig Workers

India's labour law framework has traditionally been designed to regulate formal employer–employee relationships, focusing on wages, social security, and working conditions. Earlier legislations such as the Employees' Provident Funds Act, Employees' State Insurance Act, and Payment of Gratuity Act primarily applied to workers in the organized sector, leaving non-traditional workers, including gig workers, outside their scope.

Recent labour reforms have consolidated multiple laws into four labour codes: the Code on Wages, 2019; the Industrial Relations Code, 2020; the Occupational Safety, Health and Working Conditions Code, 2020; and the Code on Social Security, 2020. Among these, the Social Security Code is particularly significant as it formally recognizes gig workers and platform workers within India's legal framework.⁶

⁶ Code on Social Security, 2020

The Code defines a gig worker as a person engaged in work outside a traditional employer–employee relationship and a platform worker as one who accesses work through online platforms.⁷ This recognition reflects the growing importance of digital labour in India. However, gig workers are still not classified as “employees,” which limits their access to core labour protections such as minimum wages, job security, and collective bargaining rights.

The Code provides for the formulation of social security schemes covering life and disability insurance, health and maternity benefits, and old-age protection.⁸ It also establishes a Social Security Fund for gig workers, financed through contributions from the government and digital platform aggregators, who are required to contribute 1–2% of their annual turnover.⁹ Additionally, worker registration mechanisms have been introduced to facilitate access to welfare benefits.

Policy initiatives such as the e-Shram portal aim to create a national database of unorganized workers, including gig workers, enabling them to access welfare schemes.¹⁰ Proposals to extend healthcare benefits through schemes like Ayushman Bharat further indicate the government’s intent to expand social protection.

Despite these developments, the implementation of welfare measures remains limited. The absence of clear enforcement mechanisms and reliance on future schemes reduce the practical impact of legislative recognition.

B. Challenges and Limitations in the Legal Framework

Despite progressive reforms, the legal framework governing gig workers in India faces several structural limitations. A key issue is the continued classification of gig workers as independent contractors, which excludes them from essential labour protections such as minimum wage guarantees, regulated working hours, and social security coverage under traditional laws.

This exclusion raises constitutional concerns. The lack of social security and income stability may undermine the right to livelihood and dignity under Article 21 of the Constitution of India.¹¹ Additionally, economic dependency on digital platforms raises concerns under Article

⁷ Id., §§ 2(35), 2(61)

⁸ Id., Social Security Schemes for Gig Workers

⁹ Id., Provisions relating to Aggregator Contributions

¹⁰ Ministry of Labour & Employment, e-Shram Portal Initiative

¹¹ Constitution of India, Art. 21

23, which prohibits forced labour, as workers may be compelled to accept unfavourable conditions due to limited alternatives.¹²

The framework also falls short in fulfilling the Directive Principles of State Policy, particularly Articles 38, 39, 41, 42, and 43, which mandate the State to ensure social and economic welfare, adequate livelihood, and humane working conditions.¹³ The gap between constitutional objectives and practical implementation remains significant.

Another limitation is the exclusion of gig workers from key legislations such as the Employees' State Insurance Act, 1948, which deprives them of health and medical benefits. While the Social Security Code provides for welfare schemes, their effectiveness depends on administrative implementation, which is still evolving.

Practical challenges further weaken the framework. Many gig workers lack awareness of available schemes and face difficulties in registration and access. Funding constraints also raise concerns, as contributions from platform aggregators may not be sufficient to cover the expanding gig workforce.

Moreover, the dynamic nature of the gig economy presents regulatory challenges. Digital platforms rely on algorithmic management systems that control pricing, task allocation, and performance evaluation. Existing labour laws, designed for traditional employment relationships, are not adequately equipped to regulate such technologically driven work arrangements.

These limitations highlight the need for a more robust and adaptive legal framework that ensures comprehensive protection for gig workers. Strengthening enforcement mechanisms, expanding social security coverage, and addressing issues of worker classification are essential for aligning labour laws with the realities of the digital economy.

IX. WELFARE ISSUES AND CHALLENGES FACED BY GIG WORKERS

The rapid expansion of the gig economy in India has created employment opportunities, but it has also exposed workers to significant welfare challenges. These challenges arise primarily due to the absence of formal employment relationships and the limited applicability of labour

¹² Constitution of India, Art. 23

¹³ Constitution of India, Arts. 38, 39, 41, 42, 43

protections.

One of the most pressing concerns is income instability. Gig workers are typically paid on a task-based or piece-rate basis, and their earnings depend on demand, platform algorithms, and the number of tasks completed. This leads to unpredictable income patterns, often fluctuating daily or monthly. Additionally, gig workers are not covered by minimum wage laws, as they are classified as independent contractors. Their effective earnings are further reduced by workrelated expenses such as fuel, maintenance, and equipment costs, which are usually borne by the workers themselves.¹⁴

Another major issue is the lack of social security benefits. Unlike traditional employees, gig workers do not have access to benefits such as health insurance, paid leave, or retirement schemes. This exposes them to financial risks in cases of illness, accidents, or old age. Although the Code on Social Security, 2020 seeks to extend certain welfare benefits to gig workers, its implementation remains limited, and many workers are unable to access these schemes effectively.¹⁵

Health and safety concerns are also significant. Gig workers, particularly those engaged in transportation and delivery services, face occupational risks such as road accidents, long working hours, and exposure to pollution. The absence of regulated working conditions and employer responsibility increases their vulnerability. During the COVID-19 pandemic, these risks became more evident, as gig workers continued to provide essential services without adequate protection or healthcare support.¹⁶

Closely related is the issue of long working hours and work pressure. In order to earn a sustainable income, many gig workers work extended hours, including nights and weekends. Platform-based rating systems and performance targets create additional pressure, forcing workers to accept more tasks to maintain ratings and avoid deactivation. The lack of regulation on working hours often leads to fatigue, stress, and adverse health outcomes.¹⁷

Another defining challenge is algorithmic control exercised by digital platforms. Algorithms determine task allocation, pricing, and worker performance. Gig workers have limited

¹⁴ ILO Reports on Gig Economy and Wage Conditions

¹⁵ Code on Social Security, 2020

¹⁶ Occupational Risks in Platform Work – Policy Reports

¹⁷ Studies on Working Conditions in Gig Economy

transparency regarding these processes, which can result in arbitrary outcomes. For example, lower ratings may reduce access to work opportunities, even when such ratings are influenced by factors beyond the worker's control. The practice of "deactivation," where workers are removed from platforms without clear justification or appeal mechanisms, further exacerbates insecurity.¹⁸

The absence of job security and employment rights remains a fundamental issue. Gig workers lack formal employment contracts and can be removed from platforms without notice. They are also excluded from key labour rights such as paid leave, maternity benefits, and protection against unfair dismissal. Moreover, their classification as independent contractors limits their ability to form unions or engage in collective bargaining, reducing their negotiating power.¹⁹

Finally, gender disparities and vulnerabilities among certain groups persist within the gig economy. Women are underrepresented in sectors such as ride-hailing due to safety concerns and social constraints. Those who participate may face harassment and lack institutional protection. Similarly, migrant workers and low-income individuals are particularly vulnerable, as they often depend on gig work as their primary source of income and have limited alternative employment opportunities.

These challenges highlight the structural weaknesses in the gig economy and underline the need for comprehensive legal and policy interventions to ensure fair working conditions, social security, and dignity for gig workers.

X. COMPARATIVE ANALYSIS OF GIG WORKER WELFARE MEASURES

The regulation of gig workers varies significantly across jurisdictions, reflecting different approaches to balancing labour protection with flexibility. A comparative analysis of the United States, the United Kingdom, and the European Union provides important insights for developing an effective regulatory framework in India.

In the United States, gig workers are generally classified as independent contractors, which excludes them from many labour protections. However, several states have attempted to address this issue through legal reforms. The "ABC Test," used in jurisdictions such as

¹⁸ Algorithmic Management in Platform Work – Academic Literature

¹⁹ Labour Law and Worker Classification Studies

California, presumes a worker to be an employee unless the employer proves otherwise.²⁰ This approach was reinforced by the enactment of California Assembly Bill 5, which sought to extend employee protections to gig workers, including minimum wage and unemployment benefits.²¹

However, strong opposition from platform companies led to the adoption of California Proposition 22, which allowed app-based drivers to remain independent contractors while granting limited benefits such as healthcare subsidies and accident insurance.²² The U.S. model thus reflects a fragmented approach, where worker protections vary across states and remain subject to ongoing legal and political debates.

In contrast, the United Kingdom has adopted a more worker-centric approach through judicial intervention. In *Uber BV v Aslam*, the UK Supreme Court classified Uber drivers as “workers,” an intermediate category between employees and independent contractors.²³ This classification entitles gig workers to essential protections such as minimum wage and paid leave. The court emphasized the level of control exercised by platforms, including fare determination and performance monitoring. This approach demonstrates how legal interpretation can expand labour protections without completely altering the flexibility of gig work.

The European Union has taken a more comprehensive regulatory approach. The proposed Directive on Platform Work seeks to establish a presumption of employment where platforms exercise significant control over workers. It also addresses transparency in algorithmic management by requiring platforms to disclose how automated systems affect task allocation and performance evaluation. Additionally, the EU framework integrates labour rights with data protection principles, ensuring accountability in digital labour systems.

International labour standards further emphasize the importance of “decent work,” which includes fair wages, safe working conditions, and social security for all workers, regardless of employment classification.²⁴ These standards highlight the need to extend social protection to gig workers while preserving flexibility in employment arrangements.

²⁰ *Dynamex Operations West, Inc. v Superior Court* (2018) 4 Cal.5th 903

²¹ California Assembly Bill 5, 2019

²² California Proposition 22, 2020

²³ *Uber BV v Aslam* [2021] UKSC 5

²⁴ International Labour Organization (ILO)

For India, these global practices offer several important lessons. First, there is a need to clarify the legal status of gig workers, potentially through the introduction of an intermediate category similar to the UK model. Second, extending social security protections through contributions from platform aggregators can help address worker vulnerabilities. Third, ensuring transparency in algorithmic management can improve fairness and accountability in digital platforms.

Finally, international experience underscores the importance of collaboration between governments, platform companies, and worker organizations in designing effective regulatory frameworks. By adopting a balanced approach that integrates flexibility with worker protection, India can develop a sustainable model for regulating the gig economy while safeguarding the welfare of its workforce.

CRITICAL ANALYSIS OF EXISTING WELFARE MEASURES IN INDIA

The recognition of gig workers under the Code on Social Security, 2020 marks a significant step in India's labour law framework. The Code enables the formulation of welfare schemes covering benefits such as health insurance, maternity support, old-age protection, and accident insurance. It also proposes the creation of a Social Security Fund financed through contributions from governments and platform aggregators.²⁵

However, despite these progressive provisions, the effectiveness of the Code remains limited due to weak implementation. Many of its benefits depend on future schemes and rules that are yet to be fully operationalized. The absence of clear administrative mechanisms, enforcement strategies, and grievance redressal systems further restricts its practical impact. Additionally, the registration of gig workers continues to be inadequate due to lack of awareness, digital barriers, and administrative inefficiencies.²⁶

The implementation of welfare measures also faces practical challenges. Gig workers often operate across multiple platforms, making identification and tracking difficult. This complicates their inclusion in formal welfare systems. Limited awareness among workers regarding available schemes further reduces accessibility. Administrative complexities, including documentation requirements and bureaucratic processes, create additional barriers.

²⁵ Code on Social Security, 2020

²⁶ Policy Reports on Social Security for Gig Workers

Financial sustainability is another concern, as contributions from platform aggregators may not be sufficient to ensure comprehensive social security coverage for a rapidly growing workforce.²⁷

Platform companies play a crucial role in shaping working conditions. While some platforms provide voluntary benefits such as accident insurance or incentive-based rewards, these measures are inconsistent and lack legal enforceability.²⁸ At the same time, platforms exercise significant control through pricing, task allocation, and algorithmic performance evaluation. Despite this control, they continue to classify workers as independent contractors, thereby avoiding obligations associated with employer responsibility. This imbalance highlights the need for clearer legal accountability of platform companies.

Several legal and policy gaps further weaken the existing framework. The classification of gig workers as independent contractors excludes them from key labour protections such as minimum wages, regulated working hours, and collective bargaining rights. This raises concerns under Article 14 of the Constitution of India, as similarly situated workers in traditional employment receive greater protections. Additionally, the limited realization of welfare measures reflects gaps in achieving the objectives of the Directive Principles of State Policy, particularly Articles 38 and 39, which emphasize social and economic justice.²⁹

The lack of effective grievance redressal mechanisms is another major concern. Gig workers facing issues such as arbitrary deactivation, unfair ratings, or payment disputes often have limited access to remedies. The regulatory framework also remains fragmented, as existing labour laws do not fully address the unique nature of platform-based work. Exclusion from legislations such as the Employees' State Insurance Act, 1948 further increases workers' vulnerability.

These limitations underline the urgent need for regulatory reforms. Introducing an intermediate worker classification could extend essential labour protections without eliminating flexibility. Expanding social security through portable benefits systems would allow workers to accumulate benefits across multiple platforms. Ensuring transparency in algorithmic

²⁷ Policy Studies on Gig Worker Welfare in India

²⁸ Platform Economy Reports and Corporate Disclosures

²⁹ Constitution of India, Articles 14, 38, and 39

management is also crucial for fairness and accountability.

Further, establishing robust grievance redressal mechanisms and strengthening institutional enforcement are necessary to protect worker rights. Greater collaboration between governments, platform companies, and worker organizations is essential to design effective and inclusive policies.

In conclusion, while India has taken initial steps toward recognizing gig workers, the current framework remains inadequate in ensuring comprehensive welfare protection. Addressing these gaps through targeted reforms is essential for building a fair, inclusive, and sustainable gig economy.

XI. FINDINGS, SUGGESTIONS AND CONCLUSION

This study on gig worker welfare in India highlights the transformative impact of the gig economy while critically examining the limitations of the existing legal and policy framework.

A key finding of the study is the rapid expansion of the gig economy in India, driven by increased smartphone usage, digital payments, and internet penetration. Platform-based services across sectors such as transportation, food delivery, logistics, and freelancing have generated employment opportunities for millions.

Gig work is particularly attractive due to its flexibility, allowing workers to choose their schedules and level of engagement.³⁰ However, this flexibility often comes at the cost of income instability and lack of long-term security.

The study identifies several core welfare challenges faced by gig workers. These include irregular and unpredictable earnings, absence of minimum wage protections, and the burden of work-related expenses. Additionally, gig workers lack access to essential social security benefits such as health insurance, paid leave, and retirement protection. Occupational risks, long working hours, and dependence on platform algorithms further exacerbate their vulnerability.³¹

From a legal perspective, the Code on Social Security, 2020 represents a significant

³⁰ Government and Industry Reports on Gig Economy Growth in India

³¹ ILO and Policy Studies on Gig Worker Conditions

development by formally recognizing gig and platform workers. The Code enables the formulation of welfare schemes, including insurance, maternity benefits, and old-age protection.³² However, the study finds that the implementation of these provisions remains limited. Many welfare schemes are yet to be operationalized, and awareness among workers is low. As a result, the gap between legal recognition and actual protection continues to persist.

Another important finding is the extent of control exercised by digital platforms. Through algorithmic management systems, platforms determine pricing, task allocation, and performance ratings. Despite this level of control, gig workers are classified as independent contractors, which restricts their access to labour rights and protections.³³

Comparative analysis of international frameworks reveals that several jurisdictions have adopted innovative approaches, including reclassification of workers and introduction of intermediate categories. These examples demonstrate the importance of balancing flexibility with adequate labour protections.

In light of these findings, several policy recommendations emerge. First, there is a need to expand social security coverage for gig workers by developing comprehensive welfare schemes that include health insurance, accident protection, and retirement benefits. These schemes should be designed to accommodate the flexible and multi-platform nature of gig work.³⁴

Second, the introduction of portable social security benefits is essential. Since gig workers often work across multiple platforms, benefits should be transferable and not tied to a single employer or platform.

Third, improving awareness and accessibility is crucial. Government agencies should undertake outreach programmes to educate gig workers about their rights and available welfare schemes. Simplifying registration and administrative processes would also enhance accessibility.

Fourth, the establishment of effective grievance redressal mechanisms is necessary. Gig workers should have access to independent dispute resolution systems to address issues such

³² Code on Social Security, 2020

³³ Studies on Algorithmic Management in Platform Work

³⁴ Policy Reports on Social Security for Gig Workers

as payment disputes, unfair ratings, and arbitrary deactivation.

Fifth, platform companies should be required to make greater contributions to worker welfare funds. Strengthening the financial base of social security systems is essential for ensuring sustainability and broader coverage.

The study also underscores the urgent need for legal reforms. One key reform is the introduction of an intermediate category of workers, which would allow gig workers to receive essential protections without fully classifying them as employees.³⁵ Additionally, there is a need to regulate algorithmic management systems by ensuring transparency in how platforms determine work allocation, pricing, and performance evaluation.

Further reforms should include extending minimum earning standards, strengthening contractual protections, and ensuring fair treatment of workers. Collaboration between governments, platform companies, and worker organizations is essential to design balanced and effective regulatory frameworks.

From a constitutional perspective, the current conditions of gig workers raise concerns regarding the realization of fundamental and directive principles. The lack of livelihood security and social protection may be inconsistent with Article 21 of the Constitution of India, which encompasses the right to live with dignity. Similarly, Articles 38, 39, and 43 emphasize social and economic justice, adequate livelihood, and decent working conditions.³⁶ The limited implementation of welfare measures indicates a gap between constitutional ideals and practical realities.

The study also identifies areas for future research, including the long-term economic impact of gig work, effectiveness of welfare schemes, and the role of technology in shaping labour relations. Research on gender disparities and vulnerable groups is particularly important for ensuring inclusive policy development.

In conclusion, while the gig economy has created significant opportunities for employment and economic growth in India, it has also exposed structural weaknesses in labour protection systems. The recognition of gig workers under existing legislation is an important step, but it

³⁵ Comparative Labour Law Studies (UK, EU Models)

³⁶ Constitution of India, Articles 21, 38, 39, and 43

is insufficient without effective implementation and comprehensive reforms.

A balanced approach that integrates flexibility with strong welfare protections is essential. By expanding social security, strengthening legal safeguards, ensuring transparency in platform operations, and aligning policies with constitutional principles, India can develop a gig economy that is not only innovative and dynamic but also equitable and sustainable for its workforce.

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