
GLOBALIZATION AND THE GIG ECONOMY IN INDIA: LABOUR JUSTICE IN THE AGE OF DIGITAL PLATFORMS

Sanjita Das, Tamil Nadu National Law University, Tiruchirappalli.

ABSTRACT

The rapid globalization of digital platforms has disrupted labour markets across the globe and established the gig economy as a prevailing and dominant model of work. In India, the disruption is more significant because of the country's demographic profile, the depth of technological penetration, and rising levels of unemployment. The gig economy has created additional, and flexible low-barrier opportunities to work across multiple industries (namely from ride-hailing services, food delivery, commercial services etc.) but has as much introduced significant challenges in the area of labour justice. Insufficient contracts, algorithmic control, lack of collective bargaining, and exclusion from traditional social securities have become defining features of individuals who work in the gig economy. The primary tension lies with the ambiguities associated with the difference between "employee" and "independent contractor," an ambiguity which allows platforms to evade any obligations under labour laws. The Code on Social Security, 2020 was passed to legally recognize gig and platform workers, but issues remain in securing protections. This paper considers and critiques the relationship between globalization and the emergence of the gig economy in India, its implications on labour rights, the legal ambiguity associated with the gig economy, and any socio-economic vulnerabilities that exist. It also draws comparative insights on the framing of gig work from other international jurisdictions like the United Kingdom and the European Union, which have seen an increasing number of courts and politicians framing gig workers as employees entitled to employee benefits. Ultimately, the paper argues that safeguarding labour justice in the age of digital platforms requires a hybrid regulatory framework balancing innovation and efficiency with the constitutional mandate of social and economic justice for India's workforce.

Keywords: Gig economy, globalization, labour justice, platform workers, digital platforms, employment law, India.

CHAPTER 1- CONCEPTUAL FRAMEWORK OF THE GIG ECONOMY

1.1 Defining the Gig Economy, Platform Work, and Digital Labour

The gig economy is the labour market consisting of short-term contracts and freelance work or work arranged through a digital platform on a task basis, instead of permanent employment relationships. The term “gig” originally meant a short-term performance of a musician and has since evolved into regular usage meaning it is flexible and sometimes time-dependent¹. In our digital world, this system is driven by online platforms such as Uber, Swiggy, Zomato, and UrbanClap, which connect service providers with consumers directly. Gig work is defined by the International Labour Organization broadly to fall within two categories; crowd work, which is work conducted remotely through a digital platform, and app-based, on-demand, which is the physical delivery of work-based services within local contexts.²

As a subset of the digital economy, digital labour describes a form of value creation that is mediated by technology, in which algorithms and data-driven management systems allocate, track, and rate the performance of work. The emergence of digital labour has been enabled by the adoption of information and communication technologies (ICTs) that support flexible and location-independent arrangements for work. At the same time, the digitality of gig work complicates traditional configurations of employment, employer liability and social protection. Thus, the contemporary digital gig economy can be understood as situated on a site of technological innovation and labour informalization, with opportunities and vulnerabilities for workers.

1.2 Globalization and the Transformation of Work

Globalization has significantly altered the way economies organize labour markets, through economic integration, enhanced technological diffusion and the development of transnational labour networks. This has generated a platform

¹ Valerio De Stefano, The Rise of the “Just-in-Time Workforce”: On-Demand Work, Crowd Work and Labour Protection in the “Gig-Economy”, Bocconi Legal Studies Research Paper No. 2682602 (Oct. 28, 2015), available at SSRN, <https://ssrn.com/abstract=2682602>

² International Labour Office, World Employment and Social Outlook 2021: The Role of Digital Labour Platforms in Transforming the World of Work (Feb. 23, 2021), available at <https://www.ilo.org/publications/flagship-reports/role-digital-labour-platforms-transforming-world-work>

capitalism model, where value creation is becoming less reliant on physical production and more reliant on digital intermediation.³ In developing economies like India, globalization has accelerated the adoption of platform-based work as a response to structural unemployment, demographic surplus, and limited access to formal employment.

The transformation of work under globalization has been accompanied by a shift from standardized, full-time employment towards flexible, contingent forms of work⁴. Gig work exemplifies the neoliberal focus on efficiency, flexibility, and self-sufficiency, while reproducing structural inequalities by offloading risk and responsibility from employer to worker. The global supply chains of digital platforms have increased competitive pressures on worker/wage/benefit conditions, with practices of algorithmic control and the "race to the bottom." In India, the expansion of the gig economy is both a product and a process of globalization that promises employment and innovation but simultaneously undercuts social safety nets/social protection strategies that incorporated traditional ways of working.

1.3 Employee vs. Independent Contractor Debate

A primary legal issue in the gig economy is classifying workers as "employees" who receive statutory protections or as "independent contractors" who qualify as self-employed. It is common for most platforms to categorize gig workers as independent contractors to limit the entitlements under labour laws, such as minimum wage, provident fund contributions, or termination benefits⁵. However, courts globally have begun to challenge this classification. In the *Uber BV v. Aslam* (2021)⁶ decision, the UK Supreme Court recognized Uber drivers as "workers" under employment law, granting them rights to minimum wage and paid leave. Similarly, in the United

³ Nick Smicek, *Platform Capitalism* (Laurent de Sutter ed., Polity Press, 2016), available at *Technology After Capitalism* (pdf), available at <https://mudancatecnologicaedynamicacapitalista.wordpress.com/wp-content/uploads/2019/02/platform-capitalism.pdf>

⁴ Gerald Friedman, *Workers Without Employers: Shadow Corporations and the Rise of the Gig Economy*, 2 Review of Keynesian Econ. 171 (2014), available at https://www.researchgate.net/publication/276191257_Workers_without_employers_Shadow_corporations_and_the_rise_of_the_gig_economy

⁵ Anand Pawar & Ankit Srivastava, *Gig Workers and Employment Laws: An Indian Perspective*, 5 SML. L. REV. 88 (2022), available at <https://www.hpnlu.ac.in/PDF/9825f8d3-fd55-4d44-9ab9-053ababcbf71.pdf>

⁶ *Uber BV & Ors v. Aslam & Ors*, [2021] UKSC 5 (Feb. 19, 2021), available at <https://www.supremecourt.uk/cases/uksc-2019-0029>

States, the “ABC Test” developed under the California Supreme Court’s *Dynamex Operations West, Inc. v. Superior Court* (2018)⁷ established that a worker is presumed to be an employee unless proven otherwise by the employer.

In India, while the Code on Social Security, 2020 mentions the category of "gig" and "platform workers," it does not formally recognize them as employees; consequently, gig workers are not entitled to any of the principal labour protections that employees access when it comes to, for example, the Industrial Disputes Act, 1947, or the Payment of Gratuity Act, 1972. The legal ambiguity leaves a certain precariousness intact: platforms can maintain managerial control via algorithms while sidestepping any legal formal employer obligations⁸.

The hybrid characteristics of gig work, which are neither fully independent nor completely subordinate, require a reevaluation of labor law structures to reflect the realities of digital employment.

1.4 Key Features: Algorithmic Management, Flexibility vs. Precarity

Algorithmic management represents one of the most important characteristics of the gig economy. Digital platforms use algorithms to assign jobs, monitor jobs, and reward workers with rating/incentivization and dynamic pricing models. While these systems present opportunities for better efficiency and transparency, they also hide power asymmetries between workers and platforms. Workers are under constant surveillance and evaluation based on performance -with little ability to contest decisions made by opaque algorithms.

The rhetoric of flexibility - which is one of the major attractions of gig work - tends to obscure the precarity of its absence of benefits, income instability, and lack of job security that workers are typically subjected to. Gig work is not predictable; workers have no social security benefits, no predictable schedules, and no collective bargaining rights. These same conditions make gig workers especially vulnerable to

⁷ *Dynamex Operations West, Inc. v. Superior Court of Los Angeles County*, S222732, 4 Cal. 5th 903 (2018), available at <https://law.justia.com/cases/california/supreme-court/2018/s222732.html>

⁸ Janine Berg, *Digital Labour Platforms and the Future of Work: Towards Decent Work in the Online World* (Int'l Labour Org., Sept. 20, 2018), available at <https://www.ilo.org/publications/digital-labour-platforms-and-future-work-towards-decent-work-online-world>

exploitation and burnout. This push and pull of “flexibility versus precarity” encapsulates the dual nature of gig work. It affords workers autonomy and is a pathway for youth and other informal workers into entry level jobs; however, it shifts and redistributes the financial risk of work from the employer to the worker. For a country like India, where gig work is rapidly proliferating among the youth and informal workforce, these issues present real questions for creating a fair and sustainable labour market.

CHAPTER 2 – LEGAL STATUS OF GIG WORKERS IN INDIA

2.1 Evolution of Indian Labour Laws and Recognition of Gig Workers

The history of labour laws reveals the deficiency of formal fixed-term employment, that optimizes protections based on security of tenure, wages, and portable social protection schemes. In this regard, the Industrial Disputes Act, 1947, Factories Act 1948 and the Payment of Gratuity Act, 1972 functions mostly for employees in the formal sector of the economy. With the emergence of the ‘gig economy’, the formal and archaic structures of labour legislation become problematic for workers engaged in other non-traditional forms of work, platform-mediated work, casual work, and so forth. The absence of a definition for gig and platform workers is as significant as the lack of entitlements and protections that follow. Workers engaged in gig and platform work remain susceptible to flexible work, often volatile wages, diminished chances for entitlement to social protection, and access to limited portable benefits. Scholars have argued that as gig work progressively moves, informal and transitory categorization of work is problematic for established rigid classifications, and more importantly, regulated protections for an increasingly abundant workforce.⁹

2.2 Code on Social Security, 2020

The Code on Social Security, 2020 represents a landmark effort to formally recognize gig and platform workers in India.¹⁰ It characterizes a “gig worker” as an individual who performs work or participates in a work arrangement facilitated by a digital

⁹ Anand Pawar & Ankit Srivastava, *Gig Workers and Employment Laws: An Indian Perspective*, 5 Shimla L. Rev. 88 (2022), available at <https://hpnlu.ac.in/journal-article.aspx?ref-id=22&article-id=398>

¹⁰ *Code on Social Security, 2020*, No. 36 of 2020, §§ 2(k), 2(l), 7, 9 (India), available at https://labour.gov.in/sites/default/files/ss_code_gazette.pdf

platform, and a “platform worker” as an individual that is engaged through digital platforms for the delivery of goods or services. The Code requires the central government to notify schemes to provide social security benefits to these workers, including life and disability insurance, health and maternity benefits, and old-age protection. Despite its importance, the Code does not provide gig workers full employee characterization and, therefore, gig workers are not covered by minimum wage, industrial dispute resolution, and other employee rights or protections. Critics assert that, while the Code establishes a framework for certain welfare benefits, the constructive voluntary nature of platform registration and the lack of enforceable employer duties limit the Code's benefits.¹¹

2.3 Judicial Perspectives

An important legal advancement in acknowledging the rights of gig workers in India came from *Indian Federation of App-based Transport Workers (IFAT) v. Union of India*, W.P. (C) No. 1109/2021¹², which is currently pending before the Supreme Court of India. IFAT and other gig workers filed the petition in September 2021 against the Union of India and major aggregators like Ola, Uber, Swiggy, and Zomato due to the lack of social security benefits afforded to platform-based workers. The petitioners argue their classification as “partners” rather than “employees”, deprives them of their basic rights under the Constitution of India, specifically Articles 14, 21, and 23. The petitioners contend that this misclassifying causes discrimination, lack of dignified working conditions and forced, exploitative labor.

The petition mentions that platform companies use misleading contract structures to evade meeting legal obligations set by labor laws. The matter is currently sub judice; nonetheless, the current intense supervision being undertaken by the Supreme Court has already shaped policy developments. In various hearings, the Supreme Court has instructed the Union Government to expedite the implementation of welfare schemes envisioned under the Code on Social Security, 2020, and provide specifics about the

¹¹ NITI Aayog, *India's Booming Gig and Platform Economy: Policy Brief* 12–15 (2022), available at https://www.niti.gov.in/sites/default/files/202306/Policy_Brief_India%27s_Booming_Gig_and_Platform_Economy_27062022.pdf

¹² *Indian Federation of App-Based Transport Workers v. Union of India*, W.P.(C) 1068/2021 (Supreme Court of India, pending), BIICL Gig Workers Litigation Database, available at <https://www.scobserver.in/wp-content/uploads/2021/12/The-Indian-Federation-of-App-Based-Transport-Workers-IFAT-v-Union-of-India-Writ-Petition.pdf>

timeline for formalizing social security regulations for gig and platform workers (IFAT v. Union of India, W.P. (C) No. 1109/2021 (pending)).

Judicial momentum produced by the case, in tandem with the advocacy work, has resulted in substantial legislative measures as well. Of particular note was the Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023, which became the first state legislation that mandated the establishment of a welfare fund to support gig workers based on contribution from aggregators, without compromising the legal classification of workers i.e. worker's status remained unchanged. The initiation of the e-Shram portal was a significant step towards establishing a national database of unorganized workers and enabling active outreach and policy direction towards gig economy participants.

2.4 Challenges in Implementation and Classification

Even with the forward-looking goals of the Code on Social Security, obstacles in execution remain. Numerous gig workers are still ignorant of their rights, and platforms frequently do not have proper systems to register workers efficiently.¹³ In addition, the classification problem of whether workers are employees, independent contractors, or gig/platform workers creates regulatory voids. Algorithmic management complicates enforcement, as platforms experience a high level of control over tasks, payment, and the evaluation of performance while denying an obligations under employment-based statute. As a hybrid type of gig work, this underlines the tension between enabling digital innovation and labor justice, suggesting the need for straightforward legal definition and regulatory standards, monitoring systems and government involvement.

CHAPTER 3 – POLICY & LEGAL REFORMS FOR INDIA

3.1 Existing Legal and Policy Framework.

An evaluation of existing laws and policies indicates that India has made significant first efforts to address gig workers, but considerable gaps still exist. The Social

¹³ Rajah Augustinraj, Vikash Jain & Seema Bansal, *Unlocking the Potential of the Gig Economy in India* (Bos. Consulting Grp. & Michael & Susan Dell Found. Mar. 30, 2021), available at <https://www.bcg.com/unlocking-gig-economy-in-india>

Security Code, 2020 recognizes "gig" and "platform" workers in formal law and allows governments to create welfare schemes (health, maternity, old age, insurance) for these workers, but the Code stops short of assigning platform companies a legal obligation to be statutory "employers" of gig workers – and, therefore, without the necessary entitlement to benefits such as gratuity, a provident fund, and protections from industrial disputes.¹⁴ The e-Shram portal and various administrative efforts have enhanced the ability to identify and engage unorganized workers, including numerous gig workers; however, mere registration does not ensure widespread benefits or ensure compliance from aggregators.¹⁵ The Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023 demonstrates a proactive model at the state level through the establishment of a welfare board, a welfare fund, and contributory payment of compendium, but remains state-centric and raises substantively the question of consistency, financing, and enforcement for India as a whole.¹⁶ The pending Supreme Court litigation in *IFAT v. Union of India* has also pushed judicial oversight and administrative action, prompting the government to speed rule-making for social security schemes; yet the final legal contours are still sub judice.¹⁷

3.2 Proposed Hybrid Regulatory Model

A hybrid regulatory model is best suited for India's socio-economic context: it can reconcile platform innovation with labour justice by creating a middle-path legal architecture that combines elements of social insurance, minimum standards, and conditional obligations on aggregators without automatically converting all gig workers into full-time employees. Core components should include (a) a statutory presumption of dependence for certain platform relationships (guided by objective tests), coupled with a clear burden on platforms to demonstrate independent contractor status in contested cases; (b) mandatory aggregator contributions to portable, sector-neutral benefit funds (for pensions, insurance, and paid leave) proportionate to transaction value or hours engaged; (c) statutory minimum standards (minimum effective earnings per hour, maximum consecutive working hours,

¹⁴ Code on Social Security, 2020, *supra* note 10.

¹⁵ Press Information Bureau, Gov't of India, Press Release No. 2099153 (Date), available at <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2099153>

¹⁶ *Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023*, Act No. 29 of 2023 (Rajasthan), available at https://prsindia.org/files/bills_acts/acts_states/rajasthan/2023/Act29of2023Rajasthan.pdf

¹⁷ *Indian Federation of App-Based Transport Workers v. Union of India*, W.P.(C) 1068/2021, *Supra* Note 12.

grievance and dispute-resolution mechanisms) enforceable through labour inspectors or digital compliance audits; and (d) algorithmic transparency, explainability, and procedural safeguards so that automated de-ranking, deactivation, or pay adjustments can be reviewed and appealed.¹⁸ Comparative courts and legislatures offer valuable models: the worker-status rulings of the UK Supreme Court in *Uber BV v. Aslam* and the California “ABC” test (from *Dynamex*) illustrate how doctrinal assumptions or criteria can hinder superficial label-reading by platforms and reestablish regulatory power where functional control and reliance exist.¹⁹

Balancing innovation and workers’ rights requires calibrated regulation that preserves entry-level flexibility and client-side efficiency while internalizing social costs presently externalized onto workers. This can be achieved through “portable benefits” frameworks (benefits tied to the worker and transferable across platforms), tax incentives or matching grants for compliance during a transition period, and regulatory sandboxes that allow experimentation with new business models under conditional compliance. Administrative measures such as mandatory registration on e-Shram, periodic aggregator disclosures to a labour-technology regulator, and sectoral welfare boards can ensure coverage without suffocating innovation.²⁰

3.3 Strengthening Collective Voice and Institutional Mechanisms

Ultimately, we also need to strengthen institutional mechanisms for representation and collective voice. Traditional trade unions can be encouraged to organize platform workers when they can; however, there may be a closer fit for more fragmented and flexible workers to be organized in new forms, such as digital cooperatives, worker collectives, or statutory welfare boards of the type some workers use (e.g. in Rajasthan). Government policy should therefore focus on building the capacity of worker cooperatives, enabling bargaining frameworks for platform workers that work for their circumstances, and enacting statutory requirements for consultation on

¹⁸ Fairwork, *Fairwork India Ratings 2023: Labour Standards in the Platform Economy* (2023), available at <https://fair.work/wp-content/uploads/sites/17/2023/10/Fairwork-India-Ratings-2023-English.pdf>

¹⁹ *Uber BV & Ors v. Aslam & Ors*, [2021] UKSC 5, available at <https://www.supremecourt.uk/cases/uksc-2019-0029.html>

²⁰ Int’l Labour Org. (ILO), *World Employment and Social Outlook 2021: The Role of Digital Labour Platforms in Transforming the World of Work* (2021), [https://www.ilo.org/global/research/global-reports/weso/2021/lang--en/index.htm](https://www.ilo.org/global/research/global-reports/weso/2021/lang-en/index.htm).

platform rule changes that affect pay and work conditions.²¹

CHAPTER 4 – FINDINGS, CONCLUSION & RECOMMENDATIONS

Globalization and digital platforms have added possibilities to earn income in India and have also introduced precarious labour characterized by managerial influence and contractual disclaimers. The Code on Social Security, 2020 and initiatives like the e-Shram portal signify important policy strides, while classification and implementation challenges persist. The Rajasthan Act demonstrates that state-level experimentation can provide practical welfare mechanisms but the issues of national uniformity and scale remain. The IFAT matter pending clearance has spurred judicial scrutiny and momentum for policy work, yet a final clear manifestation is to come.²²

The research concludes that globalization has enabled the rapid growth of platform work through advances in ICT and an expanding labour supply. Worker classification continues to be uncertain because it is often determined by contractual labels rather than actual working conditions. While the Code on Social Security offers a formal framework for extending benefits, it does not fully secure the rights associated with traditional employment. Gig workers continue to face unstable income and limited social protection. Comparative models from jurisdictions such as the U.K. and California offer useful guidance for designing future reforms.²³ Policy recommendations consist of concluding CSS rules with aggregate contributions going to portable benefit funds; implementing a legal presumption of “dependence/functional control” of workers; guaranteeing algorithmic transparency and appeal mechanisms; and facilitating confidence in pilot portable benefits schemes. In addition, trade unions, digital cooperatives, and civil society should all be encouraged to build collective worker representation.²⁴

To sum up, a hybrid legal approach including statutory or statutory-like social protection, conditional obligations on employers, algorithmic fiduciary obligations or guards, and collective representation offers a practical means to balance innovation

²¹ Shyam Sundar, *Emerging Trends in Employment Relations in India*, SciSpace (Aug. 9, 2025), <https://scispace.com/pdf/emerging-trends-in-employment-relations-in-india-pouzbrym6b.pdf>

²² Indian Federation of App-Based Transport Workers (IFAT) v. Union of India, **Writ** Petition (C) No. ____ of 2021 (India), <https://www.scobserver.in/wp-content/uploads/2021/12/The-Indian-Federation-of-App-Based-Transport-Workers-IFAT-v-Union-of-India-Writ-Petition.pdf>

²³ *Uber BV & Ors v. Aslam & Ors*, [2021], Supra Note 6

²⁴ NITI Aayog, *India’s Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work* (June 2022); Fairwork India Report 2023, Oxford Internet Institute (2023).

and labour justice. If effectively implemented, it could reshape India's gig economy into a platform for achieving fairness of opportunity.