EXPANDING HORIZON OF SOCIAL SECURITY IN STATE LEGISLATION FOR UNORGANISED WORKERS WITH SPECIAL REFERENCE TO GIG WORKERS: A COMPARATIVE STUDY

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ABSTRACT

In digital era, gig workers play a very crucial role. The rapid expansion of digital economy, the nature of employment changed. It provides services through platform or apps and during these transactions many intermediary and aggregators are involved such as transportation, food delivery and e-commerce and performing many other services. Despite this, they excluded from traditional employer employee relationship. They have no protection or legal provision from state machinery earlier. But many States such as Rajasthan, Karnataka, Bihar enacted a law for the protection of gig workers and many States such as Telangana and Jharkhand passed a bill in this regard. The Rajasthan is the first State to enacted such kind of law that is the basis of Gig Workers (GW) legislation in India. The Karnataka provides more stringent provisions which is more protective compare to rest. After Bihar also not slow in this regard and considered the welfare of their large population of workers enacted a new legislation with including new technological protective measures. Compare to UK, US and EU, India is not that much advance in protecting the GW, but endeavor to make a stringent law which follow the international standards. Apart from legislature, Indian judiciary also pronounce many landmark judgments in which the apex court recognizes the rights of GW which is considered a law in India. The apex court while pronouncing judgement considered the international standard and principles; and judgment of different countries judicial view which protect the GW.

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1. Introduction

The rapid expansion of the gig economy has created new forms of work outside traditional labour protections. The Rajasthan is the first state to make legislation for GW. GW are one of the vulnerable class in India. There are many laws for workers in the organised sector but there is no legislation to strongly protect the GW. Many existing legislations are available but most of them are depend upon the schemes made by Central and State Govt., but they do not make scheme because it is not mandatory on Govt. side. Many legislations enhance their capacity. Social security is security from injustice which happen with the member of society for its preservation.[3]

In response, Indian states have enacted pioneering laws such as the Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023 (hereinafter mentioned as Rajasthan PBGW Act), the Karnataka Platform-Based Gig Workers (Social Security and Welfare) Act, 2025 (hereinafter mentioned as Karnataka PBGW 2025) and the Bihar Platform Based Gig Workers (Registration, Safety and Welfare) Act, 2025 (hereinafter mentioned as Bihar PBGW 2025) marking a gradual evolution from welfare to rights-based regulation.

2. The Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023

It is a landmark state legislation with objective to regulate the gig work and providing social security and welfare benefits to PBGW such as food delivery GW, app based ride workers, etc. It is the first law of its kind in India. The Rajasthan PBGW Act aims to recognize GW as a distinct category and provide them with social security protection. It applies to all PBGW and all aggregators operating in Rajasthan. It makes mandatory registration of all gig workers with the state and central database of workers. Each worker is issued a Unique ID for tracking employment and benefits. The purpose of the Act to formally recognize workers and include them in welfare schemes.

It provides creation of the Rajasthan PBGW Welfare Board[4]. The composition of Board[5] includes representatives of workers, aggregators and Government officials. The functions of

[3] Maurice Stack, "The Meaning of Social Security", 23, *Journal of Comparative Legislation and International Law*, 113, 117 (1941) available at: https://www.jstor.org/stable/754507
[4] The Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023 [Act No. 29 of 2023], Sec. 3(1)
[5] *Id.,* Sec. 3(2)

the Board[6] are to administer welfare schemes, monitor implementation, engage with worker unions and stakeholders. The workers registered under the Act get access to health insurance, accident insurance and other welfare benefits notified by the state. The Board recommends and supervises these schemes. It provides establishment of a PBGW Social Security and Welfare Fund. Sources of funding to the welfare fund contributions from aggregators (welfare fee), Government grants and other sources. The fund is used for financing welfare schemes for GW. Aggregators must pay a "welfare fee" on each transaction involving gig workers. This fee contributes to the welfare fund.

The rights of GW are to register and be recognized, access social security schemes, information about benefits and contributions, participate in welfare-related decisions. Workers can raise complaints through a formal grievance system. The provision for appeal to an appellate authority. Penalties for non-compliance are aggregators failing to comply (e.g., not paying welfare fee) face heavy fines (rupees five lakh to rupees fifty lakh depending on violation). The Act creates a structured governance mechanism welfare board, welfare fund[7], registration system, monitoring and consultation processes. It is first state law in India to provide legal identity to GW, introduce platform-funded social security, establish state-backed welfare mechanisms. In essence, the Act shifts GW from being treated as informal partners to recognized beneficiaries of labour welfare policies, ensuring formal registration, social security, financial protection, institutional representation. It is essential that not to earn wages but just and humane working conditions.[8]

The Rajasthan PBGW Act has both its strengths and limitations. The strengths are first-mover advantage in labour reform. It is the first dedicated law in India addressing gig workers. It sets a policy template for other states and possibly national legislation. It formally recognition of gig workers. It provides legal identity to gig workers who were previously in a grey area. It enables inclusion in state welfare architecture, reducing informality. It creates of a welfare fund. The platform-funded model (via welfare fee on aggregators) is innovative. It reduces dependence solely on government budgets. It aligns responsibility with companies benefiting from gig labour. It establishes a tripartite structure government, workers and aggregators. It

[6] *Id.,* Sec. 5
[7] *Id.*, Sec. 10
[8] Pramita Gurung, *Evolution and Development of the Concept of Social Security in Organised Sector in India*, 4, International Journal of Scientific Development and Research, 209, 211 (2019) available at: https://www.ijsdr.org/papers/IJSDR1905035.pdf

encourages participatory governance and policy responsiveness. It addresses critical vulnerabilities health risks, accidental coverage and income insecurity. A step toward universal social protection in the gig economy. Worker registration and database creation allow better targeting of schemes, evidence-based policymaking and transparency in implementation. It provides a formal complaint system, which gig workers previously lacked. It enhances accountability of aggregators.

The main limitations of the Act are limited scope of benefits. The Act focuses mainly on welfare, not core labour rights such as minimum wages, job security and collective bargaining rights and gig workers remain classified outside traditional employee protections. It does not clearly redefine gig workers as employees or workers under labour law. This allows platforms to avoid employer obligations (e.g., provident fund, paid leave). The SC held that principle employer is not liable if not directly employed.[9] Its implementation is very challenging. Its success depends heavily on efficient registration systems, administrative capacity and awareness among workers, many gig workers may remain unregistered due to digital or literacy barriers. It is burden on aggregators and possible pass-through welfare fee may increase operational costs for platforms and be passed on to consumers or workers (through reduced incentives or higher prices). Its enforcement concerns monitoring compliance of large digital platforms is complex. It is the risk of underreporting of transactions and evasion of welfare fee. It is fragmented approach (state-level law). Gig economy platforms operate across states, but this law is limited to Rajasthan. It creates regulatory inconsistency and compliance complexity for companies and highlights need for a national framework. It depends financial sustainability of the Welfare Fund. Long-term viability depends on adequate fee collection and Government support. If contributions fall short, benefits may remain symbolic rather than substantive. The Act outlines welfare schemes but details of coverage, eligibility, and extent are not fully specified. It is risk of delays or uneven implementation. The Act is a progressive and pioneering step toward regulating the gig economy in India. It successfully recognizes GW, introduces platform accountability and builds a welfare-oriented framework. However, it remains incremental rather than transformative because it avoids redefining employment relationships, focuses more on welfare than rights and faces significant implementation and scalability challenges. The law is best seen as a foundation rather than a final solution. Its true impact will depend on effective implementation, expansion of benefits and integration into a broader

[9] *Balwant Rai Saluja v. Air India*, (2013) 16 SCR 706

national labour policy for GW. In informal sector, the benefit of for unorganised workers may be increased by increasing wages and employment.[10]

3. The Karnataka Platform-Based Gig Workers (Social Security and Welfare) Act, 2025

The Act aims to protect the rights of platform-based gig workers and provide social security and welfare benefits. It applies to platform-based gig workers (delivery, ride-hailing, etc.) and aggregators/platform companies operating in Karnataka. It creates a state-level legal framework for regulating gig work. The Act defines many terms such as gig worker means independent contractor working via digital platforms and aggregator or platform digital intermediaries connecting workers and consumers. Importantly, gig workers are treated as independent contractors, not employees. The Act provides establishment of welfare board. A Karnataka Platform-Based Gig Workers Welfare Board is constituted. Board has composition includes government, gig worker, aggregator or platform, civil society and technical experts. The functions of the Board are to register workers and aggregators, implement welfare schemes, monitor compliance and oversee fund utilization. All GW must register with the Board to access benefits. Workers are given a Unique ID (valid across platforms). It also provides registration of aggregators. Aggregators must register within forty-five days and submit worker data to the Board. It provides data-sharing obligations. Platforms must share onboarding data within thirty days and update changes within seven days.

It provides social security and welfare fund. It provides establishment of the Karnataka Gig Workers Social Security and Welfare Fund[11]. Welfare fee[12] collected from aggregators, worker, government grants and donations. With the help of these fund government run many welfare schemes. There is provision for welfare fee on aggregators. It makes mandatory welfare fee (1% to 5%) on each payout/transaction. Platforms must calculate and deposit the fee periodically and disclose payments through a monitoring system. It introduces platform-funded social security model. It provides payment and transparency mechanism. It creates of a Payment and Welfare Fee Verification System (PWFVS).[13] It ensures tracking of payouts to workers and transparency in fee collection. Act also provides the rights of gig workers. Gig

[10] Sugata Marjit and Saibal Kar*, A Contemporary perspective on the Informal Labour Market: Theory, Policy and the Indian Experience*, 44, Economic and Political Weekly, 60, 62-63 (2009) available at: https://www.jstor.org/stable/40278702
[11] The Karnataka Platform-Based Gig Workers (Social Security and Welfare) Act, 2025, Sec. 19
[12] *Id*., Sec. 20
[13] *Id*., Sec. 21

workers are entitled to registration and unique ID, access to social security schemes, grievance redressal mechanisms and protection from arbitrary decisions (including algorithmic decisions). The Act provides regarding Welfare and Social Security Schemes.

The Board provides schemes such as health and accident insurance, occupational safety benefits and other notified welfare measures. It provides Grievance Redressal Mechanism. Workers can file complaints against aggregators or the Board and appeal decisions through prescribed procedures. Platforms may be required to disclose information about automated decision-making systems. This addresses rating systems and work allocation algorithms. Aggregators must register with the Board, pay welfare fees, share worker data, comply with welfare and safety standards and ensure transparency in operations. The State Government is empowered to frame detailed rules on registration, appeals, fund utilization and data systems. It applies to multiple gig sectors ride-sharing, food delivery, logistics, e-commerce, professional services and healthcare and media platforms. The Act creates a comprehensive governance structure welfare board, welfare fund, digital monitoring systems, registration database and compliance mechanisms. The Karnataka Act establishes a comprehensive statutory framework by recognizing gig workers, imposing obligations on platforms, creating a funded welfare system and introducing data transparency and algorithmic accountability. It goes beyond earlier laws (like Rajasthan's) by incorporating data governance and digital oversight mechanisms, making it one of the most advanced gig economy regulations in India.[14]

3.1 Comparative Analysis of UK, US and EU with India

The comparative analysis of Indian state laws alongside key international frameworks showing how the Rajasthan Act, 2023 and the Karnataka Act, 2025 stack up against the UK, EU, and California models.

3.1.1 United Kingdom (UK) Model

With respect to the landmark case Uber BV v Aslam, the Gig workers classified as "workers" (intermediate category). Entitlements include minimum wage, paid leave and protection from unfair practices. The Courts emphasize "substance over contract" platforms cannot avoid obligations merely by labeling workers as "independent contractors". Comparison with India,

[14] Labour Reforms: Formalising and Safeguarding India's Gig & Platform Workforce, PIB (9 Dec 2025) available at https://www.pib.gov.in/PressReleasePage.aspx?PRID=2200767&reg=3&lang=1

Rajasthan and Karnataka continue to treat gig workers as independent contractors. UK recognizes dependent work relationship. The UK model is rights-based, while Indian laws are still welfare-based.[15]

3.1.2 European Union (EU) Model

It proposed EU platform work directive. It introduces presumption of employment. Workers are assumed employees if certain conditions are met. Strong provisions on algorithmic transparency, data protection, human oversight of automated decisions. The right to know how algorithms assign work, contest automated decisions and access platform data. The Karnataka Gig Workers Act, 2025 includes algorithmic transparency provisions (forward-looking). EU goes further with legal presumption of employment and strong enforcement framework. Karnataka is aligned with EU thinking on algorithmic control, but lacks employment reclassification.[16]

3.1.3 California (USA) Model

There is two main law Assembly Bill 5 (AB5) and followed by Proposition 22. AB5 (2019) introduced the ABC Test workers are presumed employees unless strict conditions are met aimed to extend labour protections (minimum wage, benefits). Proposition 22 (2020) rolled back AB5 for gig companies (Uber, Lyft, etc.). it created a hybrid model. Some benefits (insurance, earnings floor) but workers remain independent contractors. Comparison with India, Rajasthan and Karnataka similar to Proposition 22 hybrid model welfare benefits without full employment rights. California AB5 much more pro-worker (employee classification). India is closer to the "compromise model" (Proposition 22) rather than the stricter AB5 approach.

India (Rajasthan & Karnataka) focus on social protection without altering labour relations. Indian state laws for unorganised sector does not meet the requirement of the Convention no 102 of ILO.[17] The exploitation of the unorganised workers is prevalent due to lack of intent of

[15] Yazbi and Sachin Kumar, Platform Worker Safety in India's Gig Economy: Bridging Legal Gaps for Occupational Protection, International Journal of Law Management & Humanities, Volume 8, Issue 2 (2025) (ISSN 2581-5369) available at https://ijlmh.com/wp-content/uploads/Platform-Worker-Safety-in-Indias-Gig-Economy.pdf
[16] *Ibid*
[17] Social Security (Minimum Standards) Convention, 1952 (No. 102), Art. 6

implementing laws.[18] UK and EU focus on redefining employment relationships. India adopts a "social security without labour rights" model. The Karnataka PBGW Act is one of the few laws in India addressing algorithmic control and EU is global leader in algorithmic accountability and transparency. Karnataka shows convergence with EU norms, but remains weaker in enforcement. California demonstrates corporate resistance and political compromise. India is likely to follow gradual, incremental reform path. It suggests India may avoid strict classification reforms and continue hybrid welfare approach. EU and UK has strong institutional enforcement while India has implementation gaps may weaken impact.

Therefore, Rajasthan PBGW Act (2023) is the first-generation welfare law. The Karnataka PBGW Act (2025) is second-generation regulatory framework. UK and EU models is rights-based transformation of labour law. California model is hybrid compromise. India's approach reflects a "middle path" to avoids disrupting platform business models, provides basic social protection and gradually introduces regulatory oversight (especially in Karnataka). However, compared globally, it still falls short on employment rights, lacks minimum wage guarantees and needs stronger enforcement and national-level harmonization.

4. The Bihar Platform Based Gig Workers (Registration, Safety and Welfare) Act, 2025

It focusing on its core provisions, innovations, and legal significance. The Act establishes a comprehensive legal framework for registration, safety, welfare, regulation of gig workers and platforms in Bihar. It applies to all platform-based gig workers and all aggregators and platform companies. Unlike earlier laws, it explicitly integrates safety, welfare and regulation. It makes mandatory registration system. All gig workers must be registered and receive a Unique ID. It enables access to welfare schemes and insurance and compensation benefits. Platforms must register within a fixed timeframe sixty days. It creates a formal digital labour registry, similar to Rajasthan and Karnataka. It establishes a Gig Workers Welfare Board.[19] Its functions include registration, scheme implementation and monitoring compliance. It acts as the central administrative authority for gig worker governance. It creates of a Social Security and Welfare Fund. Fund shall be contributed by welfare fee[20] (levy on aggregators), Worker, government grants and CSR funding and donations. Its administrative expenditure capped (approx. 5%),

[18] Paula Kantor, *Decent Work Deficits in Informal Economy*, Economic and Political Weekly, 2089, 2091 (2006) available at: https://www.wiego.org/wp-content/uploads/2019/09/Unni_Decent.Work_.Deficits.pdf
[19] The Bihar Platform Based Gig Workers (Registration, Safety and Welfare) Act, 2025, Sec. 3
[20] *Id.,* Sec. 22

ensuring fund utilization discipline. Unlike earlier state laws, Bihar directly codifies benefits in the Act that is rupees four lakh compensation for accidental death, hospitalisation support (rupees 5,400 to rupees 16,000), disability compensation and maternity benefits (approx. ninety days leave). This is a major legal shift from scheme-based to rights-based entitlements. Platforms must ensure timely payments (within seven days). it provides clear reasons for deductions. It addresses a major issue in gig work opaque earnings and delayed payments. Platforms must ensure safe working environment and compliance with safety standards. It introduces labour-standard-like obligations without formal employment classification.

The platforms must avoid discriminatory algorithmic decisions, provide fair and transparent contracts and inform workers about changes in terms. Workers have the right to refuse tasks and terminate contracts if terms change unfairly. One of the most progressive features of the Act. The personal data must be processed lawfully and securely and collected only with informed consent. Workers have right to review algorithmic decision and access to grievance mechanisms.[21] It aligns with Digital Personal Data Protection Act, 2023. Workers can file complaints against platforms and seek review of algorithmic decisions and must include human oversight in dispute resolution. The Act allows promotion of worker collectives or unions. It provides the access to credit, grants and capacity-building support. However, some critiques note restrictions on union effectiveness. The Worker has rights to refuse a reasonable number of tasks per week, transparent contracts, fair working conditions. It moves toward limited autonomy protection in gig work. Compared to Rajasthan and Karnataka, Bihar introduces statutory benefits (not just schemes), payment timeline regulation, stronger contract fairness provisions, explicit safety and working condition standards, data protection and algorithm review rights. Strengths of the Act, it is most rights-oriented gig law in India so far combines welfare, safety and contract regulation. It moves toward quasi-labour law framework.

The major limitations of the Act that welfare funding (1 to 2% fee) may be financially inadequate still it does not grant employee status and lacks minimum wage guarantees. It concerns about the weak enforcement and restrictions on collective bargaining. The Bihar Act represents a ‘third-generation gig law’ in India. Rajasthan PBGW Act is welfare model. Karnataka PBGW Act is welfare and regulation. Bihar PBGW Act is welfare, regulation and partial rights framework. The Act marks a significant shift from welfare-based to rights-based regulation by embedding statutory entitlements, addressing algorithmic control and contract

[21] *Id.,* Sec. 24

fairness and introducing income security and safety norms. However, it still stops short of a full labour law transformation, as gig workers remain outside formal employment status and core rights like minimum wage and collective bargaining remain limited.

5. Comparative Analysis of Laws Relating to Gig Workers of Rajasthan, Karnataka and Bihar

The comprehensive three-way comparative analysis of Rajasthan PBGW Act, 2023, Karnataka PBGW Act, 2025 and Bihar PBGW Act, 2025 in respect of the evolution of legal framework (generational shift). Rajasthan is the first-generation law focus on welfare and registration. Karnataka is second-generation law focus welfare, regulation and data governance. Bihar is third-generation law focus on welfare, regulation and rights-based entitlements. It shows a clear trajectory Welfare to Regulation to Partial Labour Rights

Rajasthan is purely welfare-based (insurance, benefits), Karnataka adds regulatory oversight (algorithms, data) and Bihar moves further by legally guaranteeing benefits. Bihar marks a shift toward enforceable rights, not just schemes. In Rajasthan and Karnataka, benefits depend on government schemes and in Bihar benefits are codified in law (e.g., compensation, maternity support). Bihar provides greater legal certainty and enforceability.

Rajasthan has limited obligations on aggregators. Karnataka has stronger data sharing and fee tracking system. In Bihar, most stringent payment deadlines, contract fairness and non-discrimination obligations. Bihar Act has provided the highest level of platform accountability.

In Rajasthan, algorithmic governance largely absents. In Karnataka, it introduces algorithmic transparency and in Bihar, it goes further right to contest algorithmic decisions and anti-discrimination safeguards. It reflects movement toward digital labour rights. In Rajasthan, no explicit income protections. In Karnataka, it has limited transparency in payments and in Bihar the strong provisions timely payments (within fixed days) and transparency in deductions. Bihar directly tackles earnings insecurity, a core gig issue.

Rajasthan Act has indirect (insurance-based) occupational safety. Karnataka has some safety provisions. Bihar has explicit duty on platforms to ensure safe working conditions. All three Act creates Welfare Board, Welfare Fund but Rajasthan has basic administrative body, Karnataka has expanded monitoring role and Bihar has broader powers including compliance and worker protection oversight.

The Rajasthan is the first mover and introduced welfare fund model. Its enforcement is weak. No rights (rights of gig workers) framework. Karnataka has stronger regulatory architecture and introduces algorithmic governance still scheme-based benefits but no income or wage guarantees. Bihar provides most progressive statutory benefits, payment protection and algorithmic accountability. Financial sustainability is very challenging. Still there is no employee status to gig worker or minimum wage for them. These three laws together show India's evolving approach. Rajasthan identify gig workers and provide welfare. Karnataka control over platform and introduce transparency. Bihar guarantee benefits and address income and fairness.

Despite progress, all three laws share core limitations that is gig workers remain independent contractors, not employees. No guarantee of minimum wages, job security and full collective bargaining rights. This reflects a 'hybrid regulatory model' combines welfare and limited rights and avoids disrupting platform business models.

Rajasthan PBGW Act is foundation (welfare model). Karnataka PBGW Act is expansion (regulatory model). Bihar PBGW Act is advancement (rights-oriented hybrid model). Together, they represent a gradual but significant transformation of gig worker regulation in India from informality to welfare to partial labour rights.

6. Conclusion

India's gig worker laws reflect a gradual, incremental approach balancing worker protection with platform flexibility. While Bihar marks a shift toward rights-based regulation, the framework remains incomplete without labour law integration and national-level harmonization. Future reforms must move toward a comprehensive legal regime ensuring both social security and core labour rights. Despite a lot of changes in laws relating to social security, there is required to be improvement in the laws for unorganised workers according to the international norms. There are many country doing well legislative progress in field of unorganised sector. There should be proper mechanism for grievance redressal and transparency in the amount calculation. Awareness campaign and registration at broad level. The balanced approach adopted while dealing with labour issues. The GW should be equipped with necessary safeguards, portability rights, transform informal work into a secure and sustainable jobs.