LEGAL STATUS AND LABOUR RIGHTS OF GIG WORKERS IN INDIA: NEED FOR REFORM

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ABSTRACT

The rapid expansion of the digital economy has significantly transformed traditional labour markets, giving rise to a new form of employment commonly referred to as gig work. In India, digital labour platforms operated by companies such as Uber, Ola, Swiggy and Zomato have created flexible income opportunities for millions of workers. However, the legal status of gig workers remains uncertain within the existing labour law framework. Unlike traditional employees, gig workers are generally classified as independent contractors, which limits their access to essential labour protections such as minimum wages, social security, health insurance and collective bargaining rights. This research paper critically examines the legal position of gig workers in India and evaluates the adequacy of the current regulatory framework in safeguarding their labour rights. Particular attention is given to the recognition of gig and platform workers under the Code on Social Security, 2020, which represents one of the first legislative attempts to extend social security benefits to this category of workers. Despite this development, several regulatory gaps remain regarding employment classification, welfare benefits and enforcement mechanisms. The paper further explores the key challenges faced by gig workers, including income instability, algorithmic control by digital platforms and the absence of effective grievance redressal mechanisms. By analysing existing laws, policy developments and comparative international approaches, the study highlights the urgent need for comprehensive legal reforms to ensure fair working conditions and social protection for gig workers in India. The paper concludes by proposing policy recommendations aimed at strengthening labour rights and promoting a balanced regulatory framework that accommodates both technological innovation and worker welfare.

Keywords: Gig Economy, Platform Workers, Labour Rights, Social Security, Digital Labour Platforms.

INTRODUCTION

The structure of employment has undergone a significant transformation in recent years due to rapid technological advancement and the expansion of digital platforms, leading to the emergence of what is commonly known as the gig economy. In this evolving labour market, individuals perform short-term, task-based or platform-mediated work instead of engaging in traditional long-term employment relationships. In India, the growth of app-based services has significantly accelerated this trend, with digital platforms such as Uber, Ola, Swiggy and Zomato creating large-scale employment opportunities for millions of workers across urban and semi-urban regions. Gig work is often promoted as a flexible employment model that allows workers to choose their working hours and earn income through digital platforms. However, despite its economic benefits and convenience, the gig economy has raised significant concerns regarding labour protection and the legal status of workers. Unlike traditional employees, gig workers are typically classified as independent contractors by platform companies, which effectively excludes them from the protections guaranteed under conventional labour laws such as minimum wage, social security benefits, occupational safety and collective bargaining rights. This classification has created a regulatory grey area in which workers contribute substantially to the platform economy but remain outside the scope of comprehensive legal protection. Recognizing the growing importance of this workforce, the Indian government has attempted to address certain aspects of this issue through legislative measures, particularly under the Code on Social Security, 2020, which formally acknowledges gig and platform workers within the framework of social security policy. Nevertheless, the practical implementation of these protections remains limited and several structural gaps continue to affect the welfare and rights of gig workers. In this context, examining the legal status of gig workers and assessing the adequacy of existing labour regulations has become increasingly important. Therefore, this study seeks to analyse the challenges faced by gig workers in India and to explore the necessity for comprehensive legal reforms that ensure equitable labour rights, social protection and a balanced regulatory framework within the rapidly expanding digital economy.

CONCEPT AND NATURE OF GIG WORK

The transformation of labour markets in the digital age has led to the emergence of new forms of employment that differ significantly from traditional employment relationships. One such

development is the rise of gig work, which forms a central component of the modern platform-based economy. The gig economy refers to a labour market characterized by short-term, flexible and task-oriented work arrangements where individuals are engaged for specific services rather than long-term employment. With the expansion of digital technology, mobile applications and online platforms, gig work has become increasingly common across sectors such as transportation, food delivery, logistics and freelance services. In this system, digital platforms act as intermediaries that connect service providers with customers, thereby creating employment opportunities without establishing a conventional employer–employee relationship. This model has gained considerable popularity in India due to rapid urbanization, increasing smartphone penetration and the demand for convenient on-demand services. However, while the gig economy provides flexibility and additional income opportunities for workers, it also raises complex legal and regulatory questions regarding employment status, labour protections and social security. Understanding the concept and nature of gig work is therefore essential to evaluate the challenges faced by gig workers and to assess whether existing labour laws adequately address this emerging form of employment.

Meaning of Gig Economy

The term "gig economy" refers to a system of labour where workers perform short-term, temporary or freelance tasks for various clients or companies rather than being employed on a permanent basis. The word "gig" originally comes from the music industry, where musicians were hired to perform at individual events rather than holding permanent employment. In the contemporary context, the gig economy involves workers completing tasks or services through digital platforms that facilitate interaction between service providers and consumers. Workers in this system are typically paid on a per-task or per-service basis rather than receiving a fixed salary. In India, the gig economy has expanded rapidly due to the widespread use of digital platforms that provide services such as transportation, food delivery and home services. Platforms like Uber and Ola connect drivers with passengers, while companies such as Swiggy and Zomato facilitate food delivery services through independent delivery partners. These platforms rely on a large network of workers who perform services on demand, often using their own resources such as vehicles or smartphones. Although gig workers enjoy flexibility in choosing their working hours, their legal classification as independent contractors often deprives them of important labour protections.

Characteristics of Gig Work

Gig work possesses several distinctive features that differentiate it from traditional employment structures. One of the most prominent characteristics is flexibility, as workers are generally free to choose when and how long they work. Unlike regular employees who must adhere to fixed schedules, gig workers can log into digital platforms at their convenience and accept tasks based on their availability. Another key characteristic is task-based remuneration, where workers are paid according to the number of tasks completed rather than receiving a monthly wage. Additionally, gig work is largely mediated by digital platforms that use algorithmic management systems to allocate tasks, monitor performance and determine incentives. This technological management system reduces direct human supervision but simultaneously creates new forms of control over workers' activities. Gig workers also often use their own tools and assets such as vehicles, mobile devices and fuel while performing their duties. Furthermore, gig work typically lacks long-term employment security, pension benefits, health insurance or other social welfare protections. These features highlight both the opportunities and vulnerabilities associated with gig work, making it a unique but complex component of the modern labour market.

Distinction between Gig Workers and Traditional Employees

A fundamental issue within the gig economy is the distinction between gig workers and traditional employees. Traditional employees are typically engaged under a formal contract of employment that establishes a clear employer–employee relationship. Under such arrangements, employers exercise control over working hours, work conditions and job responsibilities while also providing statutory benefits such as minimum wages, paid leave, social security contributions and workplace safety protections. In contrast, gig workers are generally classified as independent contractors rather than employees. This classification implies that platform companies act merely as intermediaries that connect workers with customers rather than functioning as employers. As a result, gig workers usually do not receive employment benefits or protections under existing labour laws. This legal distinction has been the subject of significant judicial scrutiny in various jurisdictions. For example, in **Uber BV v Aslam**[1], the Supreme Court of the United Kingdom held that Uber drivers should be classified as "workers" rather than independent contractors because the platform exercised substantial

[1] Uber BV v Aslam [2021] UKSC 5

control over their working conditions. The court emphasized that digital platforms cannot avoid labour law obligations simply by labeling workers as independent contractors. Such decisions have influenced global debates on the employment status of gig workers and have highlighted the need for clearer legal frameworks to regulate platform-based employment.

Growth of Platform-Based Employment

Platform-based employment has witnessed remarkable growth in India over the past decade. Rapid technological innovation, widespread internet connectivity and the increasing demand for on-demand services have contributed significantly to this expansion. Digital platforms have created new avenues of employment for individuals seeking flexible work opportunities, including students, part-time workers and individuals migrating from rural areas to cities. Ride-hailing platforms such as Uber and Ola have transformed urban transportation by enabling drivers to provide services through mobile applications. Similarly, food delivery platforms like Swiggy and Zomato have created a large network of delivery partners who deliver meals from restaurants to customers. These platforms operate through digital algorithms that match customer demand with available workers in real time, thereby increasing efficiency and convenience for consumers. However, the rapid expansion of platform-based employment has also exposed workers to various vulnerabilities such as income instability, lack of social security benefits and limited avenues for dispute resolution. Consequently, the growth of the gig economy has prompted policymakers, labour organizations and legal scholars to reconsider the adequacy of existing labour laws and to explore reforms that ensure fair working conditions for gig workers while preserving the innovative potential of digital platforms.

LEGAL STATUS OF GIG WORKERS IN INDIA

The rapid expansion of the gig economy has raised important questions regarding the legal status of gig workers within the Indian labour law framework. Traditionally, labour laws in India were designed to regulate conventional employment relationships where a clear employer employee structure exists. However, gig workers operate in a relatively new form of employment that is mediated by digital platforms, where companies claim to act merely as intermediaries connecting service providers and customers. This arrangement has created significant legal ambiguity regarding whether gig workers should be treated as employees, independent contractors or a separate category of workers. As a result, many gig workers remain outside the scope of traditional labour protections such as minimum wages, social

security benefits and occupational safety standards. Recognizing this emerging challenge, the Indian legislature has begun to acknowledge gig and platform workers within certain statutory frameworks, particularly under the Code on Social Security, 2020. Nevertheless, the practical implementation of these protections and the overall recognition of labour rights for gig workers remain evolving areas within Indian labour jurisprudence. Understanding the legal status of gig workers therefore requires an examination of existing labour classifications, legislative developments and government initiatives aimed at addressing the needs of this rapidly growing workforce.

Classification of Workers under Indian Labour Laws

Indian labour laws have traditionally classified workers based on the existence of an employer–employee relationship. Statutes such as the Industrial Disputes Act, the Factories Act and the Minimum Wages Act were designed to regulate employment conditions in industries where workers were directly employed by an identifiable employer. Under these laws, employees are entitled to several protections including minimum wages, job security, health and safety standards and access to dispute resolution mechanisms. The determination of whether a worker qualifies as an employee generally depends on factors such as the degree of control exercised by the employer, the nature of the work performed and the economic dependence of the worker on the employer.

The Indian judiciary has developed several legal tests to determine the existence of an employer–employee relationship. In **Dharangadhra Chemical Works Ltd. v. State of Saurashtra**[2], the Supreme Court emphasized the "control and supervision test," which examines whether the employer exercises significant control over the manner in which the work is performed. Similarly, in **Bangalore Water Supply and Sewerage Board v. A. Rajappa**[3], the Supreme Court expanded the interpretation of labour protections by adopting a broad understanding of the term "industry," thereby bringing more workers within the scope of labour welfare legislation. However, gig workers often fall outside these traditional classifications because digital platforms typically argue that workers are independent contractors who voluntarily choose their working hours and provide services using their own resources. Consequently, gig workers frequently remain excluded from statutory labour

[2] Dharangadhra Chemical Works Ltd. v. State of Saurashtra (AIR 1957 SC 264)
[3] Bangalore Water Supply and Sewerage Board v. A. Rajappa (1978 AIR 548)

protections, creating a significant regulatory gap in the existing legal framework.

Recognition of Gig Workers under the Code on Social Security, 2020

A major legislative development in addressing the legal status of gig workers in India is the enactment of the Code on Social Security, 2020. This legislation represents one of the first attempts by the Indian government to formally recognize gig workers and platform workers within the national social security framework. The Code defines a "gig worker" as a person who performs work or participates in a work arrangement outside the traditional employer–employee relationship, while a "platform worker" is defined as a worker who provides services through an online platform.

The inclusion of these definitions is a significant step toward acknowledging the growing importance of platform-based employment in the Indian economy. The Code also empowers the central and state governments to formulate welfare schemes for gig and platform workers in areas such as life and disability cover, health benefits, maternity benefits, old-age protection and other social security measures. Furthermore, the legislation proposes the establishment of a social security fund for gig workers, which may be financed through contributions from the government, platform companies and other relevant stakeholders.

Despite these progressive provisions, the Code does not grant gig workers full employee status. As a result, they still do not enjoy several fundamental labour rights such as minimum wage guarantees, protection against unfair dismissal or collective bargaining rights. Consequently, while the Code on Social Security marks an important milestone in recognizing gig workers, it represents only an initial step toward comprehensive legal protection.

Social Security Framework for Platform Workers

Social security is a crucial component of labour welfare, as it provides financial protection and support to workers during periods of illness, unemployment, disability or retirement. Traditional labour laws in India require employers to contribute to social security schemes such as provident funds, employee insurance and gratuity benefits. However, gig workers typically operate outside these formal employment arrangements and therefore lack access to many of these benefits.

The social security framework for platform workers under the Code on Social Security, 2020

attempts to address this issue by introducing targeted welfare schemes specifically designed for gig and platform workers. These schemes may include accident insurance, health coverage, skill development programs and pension benefits. The Code also allows the government to mandate contributions from digital platform companies to support the welfare fund created for gig workers.

Nevertheless, several challenges remain in implementing these social security measures. One major difficulty lies in identifying and registering gig workers across multiple digital platforms, as many workers operate simultaneously on different applications. Another challenge concerns the determination of contribution responsibilities between the government and private platform companies. Additionally, the absence of clear enforcement mechanisms may hinder the effective delivery of benefits to gig workers. These challenges highlight the need for stronger institutional frameworks and regulatory oversight to ensure that social security schemes reach the intended beneficiaries.

Government Initiatives and Policy Measures

In addition to legislative reforms, the Indian government has introduced several policy initiatives aimed at improving the welfare of gig and platform workers. Recognizing the growing importance of the gig economy, policymakers have increasingly focused on integrating gig workers into broader labour welfare and social security systems. Various state governments have also begun exploring region-specific policies to support platform workers.

For instance, certain states have proposed welfare boards and dedicated funds to provide social protection benefits for gig workers. These initiatives aim to ensure that workers engaged in digital platforms receive access to insurance coverage, financial assistance and skill development opportunities. Moreover, national policy discussions have emphasized the need to develop a balanced regulatory framework that promotes innovation in the digital economy while safeguarding the rights and welfare of workers.

Judicial developments have also contributed to the evolving discourse on labour rights and worker protection. In **People's Union for Democratic Rights v. Union of India**[4], the Supreme Court emphasized that the state has a constitutional obligation to protect workers from exploitation and ensure humane working conditions. Although this case did not specifically

[4] People's Union for Democratic Rights v. Union of India (1982 AIR 1473)

concern gig workers, its principles have significant relevance in the context of emerging labour arrangements within the gig economy.

The legal status of gig workers in India remains an evolving area that reflects the broader transformation of labour markets in the digital age. While recent legislative and policy measures represent important steps toward recognizing gig workers, substantial reforms are still required to ensure comprehensive labour protections and social security benefits for this growing segment of the workforce.

LABOUR RIGHTS ISSUES FACED BY GIG WORKERS

The rapid expansion of the gig economy has created new employment opportunities for millions of individuals, particularly in developing economies such as India. However, despite the flexibility and income prospects associated with gig work, this model of employment has raised significant concerns regarding the protection of labour rights. Gig workers typically operate through digital platforms that connect service providers with customers, but these platforms often classify workers as independent contractors rather than employees. As a result, gig workers are frequently excluded from the protections traditionally guaranteed under labour laws, including minimum wage, social security benefits, occupational safety measures and the right to collective bargaining. The absence of a clear employer–employee relationship further complicates the legal status of gig workers, leaving them in a vulnerable position within the labour market. Although recent legislative developments such as the Code on Social Security, 2020 have attempted to acknowledge gig and platform workers, the existing legal framework still provides limited protection for their labour rights. Consequently, gig workers often face income instability, lack of welfare benefits, unsafe working conditions and limited avenues for dispute resolution. These issues highlight the urgent need for legal reforms that can effectively balance technological innovation with the fundamental rights and welfare of workers.

Absence of Employer–Employee Relationship

One of the most significant challenges faced by gig workers is the absence of a legally recognized employer–employee relationship. In traditional employment arrangements, the employer exercises control over the working conditions of employees and is responsible for providing wages, benefits and workplace protections. However, digital platform companies often maintain that they merely act as intermediaries that facilitate transactions between

workers and customers. By adopting this position, platform companies attempt to avoid the legal obligations that normally arise from an employment relationship.

Indian labour laws generally determine employment status based on factors such as supervision, control and economic dependence. In **Balwant Rai Saluja v. Air India Ltd.**[5], the Supreme Court emphasized that the existence of an employer and employee relationship depends on the degree of control and supervision exercised by the employer over the worker. In the gig economy, however, this relationship becomes ambiguous because platform companies use algorithmic systems to allocate tasks and monitor worker performance without directly supervising them in a traditional sense. As a result, gig workers remain legally classified as independent contractors, which excludes them from protections provided under statutes such as the Industrial Disputes Act and other labour welfare laws. This ambiguity creates a legal vacuum where workers perform services essential to the functioning of digital platforms but are denied the rights typically associated with employment.

Wage Insecurity and Lack of Minimum Wage Protection

Another major concern for gig workers is wage insecurity and the absence of guaranteed minimum wage protection. Under traditional labour laws, employees are entitled to receive wages that meet or exceed the statutory minimum established by legislation such as the Minimum Wages Act, 1948 and now the Code on Wages, 2019. These laws aim to ensure that workers receive fair compensation for their labour and are protected from exploitation by employers.

Gig workers, however, are typically paid on a per-task or per-service basis rather than receiving a fixed salary. Their earnings often depend on factors such as customer demand, platform algorithms and incentive structures established by digital companies. Because gig workers are not formally recognized as employees, the provisions of minimum wage legislation generally do not apply to them. This situation leads to considerable income instability, particularly during periods of low demand or market fluctuations.

The judiciary has long recognized the importance of fair wages as a component of labour welfare. In **Sanjit Roy v. State of Rajasthan**[6], the Supreme Court held that payment of wages

[5] Balwant Rai Saluja v. Air India Ltd. (2014) 9 SCC 407
[6] Sanjit Roy v. State of Rajasthan (1983) 1 SCC 525

below the statutory minimum violates the fundamental rights guaranteed under Article 23 of the Constitution, which prohibits forced labour. Although this principle was established in a different context, it highlights the broader constitutional commitment to protecting workers from economic exploitation. The absence of minimum wage protection in the gig economy therefore raises important constitutional and policy concerns.

Absence of Social Security Benefits

Social security is an essential component of labour welfare, providing financial protection to workers during illness, disability, unemployment or retirement. Traditional employees in India benefit from statutory schemes such as provident fund contributions, employee insurance, maternity benefits and gratuity payments under various labour laws. However, gig workers generally lack access to these benefits because they are not formally recognized as employees within the existing legal framework.

The Code on Social Security, 2020 represents an important step toward addressing this issue by introducing specific provisions for gig and platform workers. The Code allows the government to formulate welfare schemes covering life insurance, health benefits, disability protection and old-age support for gig workers. It also proposes the creation of a social security fund supported by contributions from both the government and platform companies.

Despite these legislative provisions, the practical implementation of social security schemes for gig workers remains limited. Many workers remain unaware of their eligibility for benefits and the absence of comprehensive registration mechanisms makes it difficult to extend coverage to all individuals engaged in platform-based employment. As a result, gig workers often face financial vulnerability in situations such as accidents, illness or loss of income.

Occupational Safety and Health Issues

Occupational safety and health constitute another critical area of concern for gig workers. Traditional labour laws impose obligations on employers to ensure safe working conditions and to protect workers from occupational hazards. For example, the Occupational Safety, Health and Working Conditions Code, 2020 establishes comprehensive standards for workplace safety and welfare in various industries.

Gig workers, however, frequently perform their duties in environments that involve significant

risks, such as road accidents, physical fatigue and exposure to adverse weather conditions. Delivery workers and ride-hailing drivers often spend long hours on the road, increasing the likelihood of accidents and health problems. Despite these risks, digital platforms typically do not assume responsibility for ensuring workplace safety or providing adequate insurance coverage.

The importance of protecting workers from hazardous working conditions has been recognized by the Indian judiciary. In **Consumer Education and Research Centre v. Union of India**[7], the Supreme Court held that the right to health and safe working conditions is an integral part of the right to life under Article 21 of the Constitution[8]. This principle underscores the need for regulatory measures that ensure the safety and well-being of gig workers in the modern labour market.

Lack of Collective Bargaining Rights

Collective bargaining is a fundamental labour right that allows workers to organize and negotiate with employers regarding wages, working conditions and other employment-related matters. In traditional employment settings, trade unions play a crucial role in representing the interests of workers and advocating for improved labour standards. The right to form associations and unions is protected under Article 19(1)(c) of the Constitution of India[9].

Gig workers, however, often face significant barriers in exercising collective bargaining rights. Because they are classified as independent contractors rather than employees, they typically do not fall within the scope of labour laws that regulate trade unions and industrial disputes. Furthermore, the decentralized nature of platform-based work makes it difficult for gig workers to organize collectively, as workers are dispersed across different locations and may work for multiple platforms simultaneously.

The importance of workers' right to association has been emphasized in **All India Bank Employees' Association v. National Industrial Tribunal**[10], where the Supreme Court recognized the significance of trade unions in protecting labour rights and promoting industrial democracy. The exclusion of gig workers from collective bargaining mechanisms therefore

[7] Consumer Education and Research Centre v. Union of India (1995) 3 SCC 42
[8] Article 21 of the Constitution https://share.google/G0BuT5PUREsXfgF2b
[9] Article 19(1)(c) of the Constitution of India https://share.google/G0BuT5PUREsXfgF2b
[10] All India Bank Employees' Association v. National Industrial Tribunal (AIR 1962 SC 171)

raises serious concerns regarding their ability to negotiate fair working conditions and to address grievances against platform companies.

The labour rights challenges faced by gig workers illustrate the limitations of existing labour laws in addressing the realities of the digital economy. Without meaningful legal reforms and stronger regulatory mechanisms, gig workers may continue to operate in a precarious environment characterized by limited protections and uncertain working conditions.

COMPARATIVE LEGAL APPROACHES AND JUDICIAL DEVELOPMENTS

The emergence of the gig economy has prompted legal systems across the world to reconsider traditional labour law frameworks and adapt them to new forms of platform-based employment. As digital platforms continue to expand globally, governments and courts have increasingly confronted the question of whether gig workers should be treated as independent contractors or as employees entitled to labour protections. Different jurisdictions have adopted varying approaches to regulate gig work, reflecting differences in labour law traditions, economic policies and social welfare priorities. Some countries have recognized gig workers as employees or intermediate categories of workers, while others have focused on extending limited protections such as social security benefits and minimum wage guarantees. Judicial interventions have also played a significant role in shaping the legal status of gig workers by interpreting labour rights in the context of evolving employment relationships. Examining comparative legal approaches and judicial developments provides valuable insights into how different legal systems address the challenges of platform-based employment. Such comparative analysis is particularly useful for India, where the gig economy is rapidly expanding but the legal framework for gig worker protection is still evolving. By studying international regulatory models and landmark judicial decisions, policymakers can identify effective strategies to strengthen labour protections while maintaining the flexibility that characterizes the gig economy.

International Approaches to Gig Worker Protection

Several countries have introduced innovative regulatory frameworks to address the legal challenges posed by gig work. One of the most notable developments occurred in the United Kingdom, where courts and policymakers have taken significant steps to recognize the labour

rights of platform workers. In **Uber BV v Aslam**[11], the United Kingdom Supreme Court held that Uber drivers should be classified as "workers" rather than independent contractors. The court emphasized that Uber exercised considerable control over drivers through its digital platform, including determining fares, setting performance standards and monitoring driver activities. As a result, the court concluded that drivers were entitled to labour protections such as minimum wage and paid leave under UK employment law.

Similarly, Spain introduced significant reforms through the enactment of the "Riders Law" in 2021, which recognizes food delivery riders working for digital platforms as employees rather than independent contractors. This legislation obligates companies to provide social security benefits and ensures greater transparency regarding the algorithms used to manage workers. The law represents one of the most comprehensive legislative efforts to regulate platform-based employment within Europe.

In the United States, regulatory approaches have varied across states. For example, California enacted Assembly Bill 5 (AB5)[12], which introduced the "ABC test" to determine whether workers should be classified as employees. Under this test, a worker is presumed to be an employee unless the hiring entity demonstrates that the worker is free from the company's control, performs work outside the usual course of the company's business and operates an independent enterprise. Although subsequent legislative developments have modified certain aspects of this framework, the law marked a significant attempt to address the misclassification of gig workers.

These international approaches illustrate that governments are increasingly recognizing the need to extend labour protections to gig workers while maintaining the economic benefits associated with digital platforms.

Judicial Developments and Labour Rights Interpretation

Judicial decisions have played a crucial role in interpreting labour rights in the context of gig work and in determining the legal status of platform workers. Courts across different jurisdictions have examined the extent of control exercised by digital platforms over workers

[11] Uber BV v Aslam [2021] UKSC 5
[12] California enacted Assembly Bill 5 (AB5) https://share.google/EtMpAwxmuQxe8gJMS

and have considered whether such control establishes an employment relationship.

In **Dynamex Operations West, Inc. v Superior Court of Los Angeles**[13], the Supreme Court of California. In this case, the court adopted the "ABC test" for determining worker classification, emphasizing that workers should generally be presumed to be employees unless the hiring entity can prove otherwise. The judgment significantly influenced labour law jurisprudence in the United States and contributed to broader discussions regarding gig worker protections.

Another important judicial development occurred in France in **Take Eat Easy v Cour de Cassation (2018)**, where the French Supreme Court recognized that a delivery rider working through a digital platform could be considered an employee because the platform exercised control over the worker's activities through a geolocation system and performance monitoring mechanisms. The court held that such control indicated the existence of a subordinate relationship between the worker and the platform company.

Judicial interpretations have also emphasized broader labour rights principles. Courts have often highlighted that labour laws must evolve to address new forms of employment created by technological advancements. These decisions reflect the recognition that digital platforms cannot evade labour obligations merely by labeling workers as independent contractors. By examining the actual nature of working relationships, courts have increasingly prioritized the protection of workers' rights over formal contractual classifications.

NEED FOR LEGAL REFORMS IN INDIA

The rapid expansion of the gig economy has transformed the structure of employment in India, creating new opportunities for income generation while simultaneously exposing workers to significant legal and economic vulnerabilities. Although digital platforms have enabled millions of individuals to participate in flexible work arrangements, the existing labour law framework has not fully adapted to this evolving form of employment. Traditional labour legislation was primarily designed to regulate stable employer–employee relationships in industrial settings, whereas gig workers operate in decentralized and technology-driven environments where the boundaries of employment are often unclear. As a result, many gig workers remain outside the scope of fundamental labour protections such as minimum wage

[13] Dynamex Operations West, Inc. v Superior Court of Los Angeles (2018) 4 Cal.5th 903

guarantees, social security benefits, occupational safety measures and collective bargaining rights. While legislative measures such as the Code on Social Security, 2020 have introduced provisions for gig and platform workers, these initiatives remain limited in scope and implementation. Consequently, there is an urgent need for comprehensive legal reforms that can address the challenges posed by platform-based employment. Such reforms should aim to ensure fair working conditions, strengthen social protection mechanisms, regulate the functioning of digital labour platforms and establish an equitable balance between technological innovation and labour welfare. By adopting a progressive regulatory approach, India can create a legal framework that safeguards the rights of gig workers while supporting the continued growth of the digital economy.

Recognition of Gig Workers as Workers under Labour Law

One of the most important reforms required in India is the formal recognition of gig workers as workers within the labour law framework. At present, many digital platforms classify gig workers as independent contractors, which allows companies to avoid obligations typically associated with employment relationships. This classification deprives gig workers of several statutory protections, including minimum wage, paid leave, job security and access to dispute resolution mechanisms.

Indian labour jurisprudence has consistently emphasized that labour laws should be interpreted in a manner that protects workers from exploitation. In **Workmen of Nilgiri Cooperative Marketing Society Ltd. v. State of Tamil Nadu**[14], the Supreme Court says several criteria for determining the existence of an employer and employee relationship, including the degree of supervision, control over work and economic dependence of the worker on the employer. These principles are highly relevant to gig work, where digital platforms often exercise substantial control through algorithmic management, performance ratings and incentive structures.

Recognizing gig workers as workers under labour laws would ensure that they receive fundamental protections guaranteed under legislation such as the Code on Wages, 2019 and other labour welfare statutes. Alternatively, policymakers may consider introducing an intermediate category of workers, similar to models adopted in other jurisdictions, which grants gig workers essential rights while preserving certain elements of flexibility inherent in

[14] Workmen of Nilgiri Cooperative Marketing Society Ltd. v. State of Tamil Nadu (2004) 3 SCC 514

platform-based work.

Strengthening Social Security Mechanisms

Another crucial area requiring reform is the establishment of a robust social security framework for gig workers. Social security systems are designed to provide financial protection and welfare benefits to workers during periods of illness, disability, unemployment or retirement. Traditional employees in India benefit from statutory schemes such as provident fund contributions, employee insurance and gratuity payments. However, gig workers often remain excluded from these schemes due to their classification as independent contractors.

The Code on Social Security, 2020 attempts to address this issue by introducing provisions for gig and platform workers. The Code allows the government to formulate welfare schemes covering life and disability insurance, health benefits, maternity assistance and old-age protection. It also provides for the creation of a social security fund that may receive contributions from the government, platform companies and other stakeholders.

Despite these provisions, effective implementation remains a significant challenge. Many gig workers lack awareness regarding their eligibility for social security schemes and there is currently no comprehensive mechanism for registering workers across multiple digital platforms. Strengthening social security mechanisms therefore requires the establishment of centralized registration systems, mandatory contributions from platform companies and transparent administrative procedures to ensure that benefits reach eligible workers. Such reforms would help reduce the financial vulnerability faced by gig workers and promote greater economic security within the gig economy.

Regulation of Digital Labour Platforms

Regulating the operations of digital labour platforms is another critical aspect of legal reform in the gig economy. Platform companies play a central role in determining the working conditions of gig workers, including task allocation, pricing mechanisms, performance evaluation and incentive structures. However, these processes are often governed by proprietary algorithms that lack transparency and accountability. Gig workers frequently have limited information about how these algorithms function or how decisions affecting their income and work opportunities are made. This lack of transparency can lead to unfair practices

such as arbitrary deactivation of worker accounts, sudden changes in payment structures or discriminatory treatment based on algorithmic ratings. Indian constitutional jurisprudence recognizes the importance of fairness and transparency in administrative and regulatory actions. In **Maneka Gandhi v. Union of India**[15], the Supreme Court held that procedures affecting individual rights must be fair, reasonable and non-arbitrary, as required under Article 21 of the Constitution[16]. Although the case concerned administrative law, its principles are relevant to the regulation of digital platforms that exercise significant control over workers' livelihoods. Legal reforms should therefore require platform companies to disclose essential aspects of their algorithmic management systems, establish fair grievance redressal mechanisms and ensure that workers are not arbitrarily penalized or removed from digital platforms. Regulatory authorities may also consider introducing independent oversight bodies to monitor compliance with labour standards and protect the rights of gig workers.

CONCLUSION

The emergence of the gig economy has significantly reshaped the structure of modern labour markets by introducing flexible and technology-driven forms of employment. In India, the rapid expansion of digital platforms such as Uber, Ola, Swiggy and Zomato has created substantial employment opportunities for millions of individuals. These platforms have enabled workers to access income-generating opportunities with greater flexibility and have contributed to the growth of India's digital economy. However, despite these benefits, the gig economy has also exposed workers to various legal and socio-economic challenges that remain insufficiently addressed within the existing labour law framework. This study has examined the concept and nature of gig work, highlighting how platform-based employment differs from traditional employer–employee relationships. While gig work offers flexibility and autonomy, the absence of formal employment status has resulted in significant gaps in labour protection. Gig workers often lack access to fundamental rights such as minimum wage guarantees, social security benefits, occupational safety protections and collective bargaining mechanisms. These challenges are primarily rooted in the classification of gig workers as independent contractors rather than employees, which allows digital platforms to avoid the legal obligations typically associated with labour welfare. The analysis of India's legal framework demonstrates that although traditional labour laws were designed to protect workers within structured industrial

[15] Maneka Gandhi v. Union of India (1978) 1 SCC 248,
[16] Article 21 of the Constitution https://share.google/G0BuT5PUREsXfgF2b

employment, they are not fully equipped to regulate modern platform-based work arrangements. Legislative developments such as the Code on Social Security, 2020 represent an important step toward acknowledging the existence of gig and platform workers within the legal system. However, the current provisions remain limited in scope and implementation, leaving many gig workers without adequate protection. Furthermore, issues such as wage insecurity, lack of social security coverage, occupational risks and limited collective bargaining rights continue to create uncertainty and vulnerability within the gig workforce. Comparative legal developments from other jurisdictions demonstrate that governments and courts around the world are increasingly recognizing the need to regulate gig work and extend labour protections to platform workers. These international experiences provide valuable insights for India in developing a more comprehensive and balanced regulatory framework. Ensuring transparency in platform operations, strengthening social security systems and establishing clearer standards for worker classification are essential steps toward improving labour conditions in the gig economy.

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