
WHO PAYS FOR PRECARITY? THE ADEQUACY AND ACCOUNTABILITY OF AGGREGATOR CONTRIBUTIONS TO GIG WORKER'S SOCIAL SECURITY

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ABSTRACT

The Social Security Code of India in 2020 marks an important milestone by officially incorporating gig and platform workers into the social security system. Where It requires aggregators to contribute one to two per cent of their annual turnover, capped at five percent of worker payments. However, this raises questions about the adequacy of this contribution to address the worker's vulnerability and the accountability of aggregators in fulfilling it. Various sources, including NITI Aayog, Fairwork India, and industry studies, along with relevant regulations, highlight concerns about the effectiveness of the turnover-based formula, its comparison to traditional employers' contributions, and its enforcement. Currently, details such as the rate and start date are unspecified, no scheme under section 114 is operational, and enforcement relies heavily on data provided by the platforms themselves. To improve the system, read alongside Articles 21 and 23, it is suggested to establish a clear contribution base, a minimum payout requirement, safeguarded and publicly monitored funds, and consistent state taxes. Without these measures, workers are likely to bear the brunt of the precarious situation.

Keywords: Gig workers, Aggregator contribution, social security, Code on Social Security 2020, Platform accountability.

INTRODUCTION

A delivery rider, if he slips on a wet road, usually has no employer to call. If anything, the company may suspend the rider's account or direct them to an insurance policy which is created by the company, which does not necessarily cover all their losses. This scenario highlights the issue at hand. For decades, India's platform economy expanded within a legal vacuum, which was filled by workers using their own savings and support from their families. Indian labour law has always tied protection to the standard employer, even though the Second National Commission on Labour urged a universal floor as early as 2002¹. The Code on Social Security, 2020 (the Code) attempts to close the gap by naming gig workers, platform workers and aggregators, and by requiring the last group to pay into a fund.² The question that follows is blunt: who pays for precarity, and is what they pay enough?

The scale is not trivial. NITI Aayog estimated 7.7 million gig workers in 2020-21 and projected 23.5 million by 2029-30³, while the Economic Survey 2025-26 places the figure at about 1.2 crore for 2024-25⁴. This article examines the aggregator's impact from two perspectives. The first aspect questions whether the funding is sufficient and, if it is sufficient, in comparison to what. This article tests the aggregator contribution on two axes. Adequacy asks whether the money is enough, and enough relative to what. Accountability asks who measures, collects, spends and answers for it. The argument is that the Code answers the first question timidly and mostly postpones addressing the second one. *The method is doctrinal, supplemented by secondary survey data; because the surveys differ in sampling and purpose, they are treated as indicators and not as exact measurements.*

THE STATUTORY DESIGN

The Code on Social Security 2020 defines the aggregator, the gig worker and the platform worker, and its Seventh Schedule lists the categories of aggregator that may be charged⁵. Section 114(4) provides that an aggregator shall contribute between one and two per cent of annual turnover, subject to a ceiling of five per cent of the amount paid or payable to gig and

¹Government of India, *Report of the National Commission on Labour* (Ministry of Labour 2002).

²Code on Social Security, 2020 (Act 36 of 2020).

³NITI Aayog, *India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work* (June 2022).

⁴Ministry of Finance, *Economic Survey 2025-26* (29 January 2026), as cited in 'Gig Economy India Statistics' (Xflowpay); <https://www.xflowpay.com/blog/gig-economy-india-statistics> accessed 10 October 2026.

⁵Code s. 2 and Seventh Schedule.

platform workers, at a rate the Central Government notifies⁶. The money flows into the Social Security Fund under section 141, which is also fed by central and state grants⁷. The Code took effect on 21 November 2025, and the Social Security (Central) Rules, 2026 followed on 8 May 2026⁸. The Rules require aggregators to register workers on a central portal, and report exits in real time, with bulk upload of existing workers within forty five days, and impose interest of one per cent per month on late or short payment⁹. Access to benefits is reportedly gated by days of engagement, ninety with one aggregator or one hundred and twenty across several¹⁰.

States did not wait. Rajasthan's 2023 Act and Karnataka's 2025 Act set up their own welfare machinery, and Karnataka funds its board through a fee of one to five per cent on each payout, not on annual turnover¹¹. Two contribution bases therefore operate over the same platforms, with no stated rule on overlap or set-off. As of 18 October 2026, commentators record that neither the central rate nor the commencement date has been notified¹², and no scheme under section 114 has been announced¹³. The contribution is, for now, a formula and not a payment.

WHAT THE SURVEYS SAY ABOUT PRECARITY

Surveys have varying figures but concur on the overall pattern. Fairwork India's 2024 ratings found that, although two platforms had adopted hourly minimum-wage policies, none ensured a decent wage once workers' own costs were deducted, and that platforms declined to recognise or negotiate with worker collectives¹⁴. A study by Primus Partners reported average monthly earnings of about ₹22,500, more than sixty per cent of respondents working full-time hours, and roughly 31 per cent lacking insurance, pension or savings-linked protection¹⁵. Redseer's 2026 report, built on a survey of 2,250 workers, puts average earnings near ₹138 an hour and

⁶Ibid s. 114(4).

⁷Ibid s. 141.

⁸Social Security (Central) Rules 2026, G.S.R. 344(E) (8 May 2026).

⁹Ibid rr 48, 49(2); see also 'Centre Mandates Gig Worker Registration in 45 Days' (The People's Board); <https://www.thepeoplesboard.com/?p=18176> accessed 10 October 2026.

¹⁰Mahenoor Imam, 'Welfare Governance for Gig Workers under the Social Security (Central) Rules, 2026' (IMPRI, 2026); <https://www.impriindia.com/?p=75715> accessed 10 October 2026.

¹¹Karnataka Platform Based Gig Workers (Social Security and Welfare) Act 2025; Rajasthan Platform Based Gig Workers (Registration and Welfare) Act 2023; Imam (n 10).

¹²'Contribution of Aggregators under the Code on Social Security' (TaxGuru, 18 October 2026); <https://taxguru.in/?p=1091866> accessed 21 October 2026.

¹³'Social Security (Central) Rules, 2026: Gig Workers, 90 Days of Work' (MediaNama, May 2026); <https://www.medianama.com/2026/05/223-social-security-central-rules-2026-gig-workers-90-days-work/> accessed 21 October 2026.

¹⁴Fairwork India, *Fairwork India Ratings 2024: Labour Standards in the Platform Economy* (Fairwork 2024).

¹⁵Primus Partners, *Unlocking the Future* (January 2026), as reported in 'Gig Workers Earn Rs 22,500 a Month on Average' (Storyboard18, 12 January 2026); <https://storyboard18.com/how-it-works/gig-workers-earn-rs-22500-a-month-on-average-as-incomes-remain-modest-report-87453.html> accessed 21 October 2026.

reads the picture more optimistically¹⁶. For a considerable time, academics have debated that platforms maintain authority over pricing and distribution while transferring risk to their employees¹⁷.

Two warnings should be noted. Surveys commissioned by the industry depict the industry's sample and should be interpreted with this in mind. The denominator is also being disputed that if 1.2 crore workers exist, and only about twelve lakhs had reportedly registered on e-Shram, with twenty aggregators, by late June 2026, then roughly one worker in ten is visible to the system¹⁸.

The precarity mentioned is not just about receiving a low salary. It includes instability, sudden job loss, and lack of financial support for sickness, injury, or retirement. Social security is the sole solution that covers all these aspects, highlighting the importance of the amount and consistency of the contribution.

THE ADEQUACY

A standard is required for adequacy, but the Code does not provide one. Three options are worth considering. The initial one is the traditional employer. An employer under the provident fund scheme has historically paid twelve per cent of wages, and the employees' state insurance regime adds a further 3.25 per cent for covered employees.¹⁹ Even if the five per cent ceiling were always reached, an aggregator would pay roughly a third of what a conventional employer pays on the same wage bill.

The second benchmark is the contribution base itself. The Code does not define "annual turnover"²⁰. For a ride-hailing app that records gross fares, turnover may mean booking value; for one that books only its commission, it is a fraction of that. Take an illustrative platform with ₹1,000 crore of commission revenue paying ₹3,000 crore to workers at two per cent it owes ₹20 crore, under 0.7 per cent of payouts. In contrast, the upper limit impacts only when

¹⁶Redseer Strategy Consultants, *India Gig Workers Report 2026*; <https://redseer.com/digests/india-gig-workers-2026-market-growth-insights/> accessed 21 October 2026.

¹⁷Jeremias Prassl, *Humans as a Service: The Promise and Perils of Work in the Gig Economy* (Oxford University Press 2018); Valerio De Stefano, 'The Rise of the "Just-in-Time Workforce"' (2016) 37 *Comparative Labor Law and Policy Journal* 471.

¹⁸Xflowpay (n 4), reporting a Labour Ministry official quoted in the press; the figures are not from a dated official release.

¹⁹Employees' Provident Funds and Miscellaneous Provisions Act 1952, s 6; Employees' State Insurance Act 1948, s 39 (both now subsumed in the Code).

²⁰TaxGuru (n 12).

payments are low in comparison to revenue. When the rate is two per cent, it restricts when payments are less than forty per cent of revenue. Thus, the upper limit protects platforms with minimal labour, whereas for those with more labour, the profit relies on how revenue is interpreted. The minimum, not the maximum, determines sufficiency.

The third benchmark is need. If benefits are to include life and disability cover, health insurance, maternity support and old-age income, the cost per worker should be estimated and the contribution set against it. So far as published material shows, neither the Code nor the Rules contains such a costing²¹. Without it, the one-to-two percent range seems more like a political agreement rather than a statistically calculated amount.

Incidence also requires consideration. A platform has options to bear the charge, increase customer charges, or reduce rates per task. Because Fairwork finds that worker collectives go unrecognised, the third route is plausible, and a turnover levy is easily recouped from payouts²². There is no prohibition in the law against this. Adequacy also involves determining who is allowed to participate. A ninety or one hundred and twenty day gate, and the loss of eligibility when personal details are not kept current, place the burden of access on the worker²³.

A person who manages multiple applications in small increments might never reach a certain point, even though every consolidator has made money from that effort.

THE ACCOUNTABILITY

Accountability consists of four components: who assesses, who collects, who spends, and who answers. On assessment, the contribution rests on the aggregator's internal revenue number and its employee information. The Rules depend on real-time reporting by platforms, while the worker's role is largely to keep personal details current²⁴. The party being regulated is the one who provides the data to the regulator. Algorithmic supervision intensifies the issue as it is only the platform that has knowledge of the number of days a worker was active or the reason behind an account suspension. On collection, interest at one per cent a month is a real deterrent²⁵ Yet an unnotified rate collects nothing.

²¹MediaNama (n 13).

²²Fairwork India (n 14).

²³MediaNama (n 13).

²⁴Ibid.

²⁵Social Security (Central) Rules 2026 (n 8) r 49(2).

In the realm of expenditure, section 141 combines funds from aggregators with both central and state funds. This pooling strategy effectively disperses risk, yet it results in a situation where a platform's compensation is not directly linked to the advantages for its employees, and the exact proportion of the fund that comes from aggregators remains unknown. The Rules constitute a National Social Security Board under section 114(6), with aggregator seats rotating across the Seventh Schedule categories²⁶ whereas Karnataka has a dedicated board with platform and union members²⁷. When it comes to responsibility, there is no stipulation in published documents that mandates the fund's financial records, contributions from different sources, or results of benefits to be presented in a detailed manner. As a result, the responsibility for these falls on the courts and labour unions. Revealing this information is inexpensive and is the most economical way to ensure accountability.

The legal nature of the charge is important when aggregators take legal action. Since *Hingir-Rampur*, a fee requires a quid pro quo, whereas a tax does not²⁸, and an aggregator receives no specific service in return for its contribution. Observers have pointed out that this suggests a tax-like charge, and the Parliament's choice of "contribution" in section 114 instead of "cess" for construction workers contributes to the uncertainty²⁹.

THE CONSTITUTIONAL AND JUDICIAL LENS

Courts have traditionally interpreted social security as part of Article 21. *Bandhua Mukti Morcha* held that the dignity guaranteed by the Article includes humane conditions of work³⁰, and *Consumer Education and Research Centre* treated workers' health and medical care as part of the right to life³¹. The petition in *Indian Federation of App Based Transport Workers v Union of India* applies this reasoning to platform workers, alleging violation of Articles 14, 21 and 23 and seeking recognition as unorganised workers³². On 18 February 2025, observing that the Code had been framed, the Supreme Court sought a timeline for its implementation³³. The

²⁶Code (n 2) s 114(6); MediaNama (n 13).

²⁷Imam (n 10).

²⁸*Hingir-Rampur Coal Co Ltd v State of Orissa* AIR 1961 SC 459.

²⁹TaxGuru (n 12).

³⁰*Bandhua Mukti Morcha v Union of India* (1984) 3 SCC 161.

³¹*Consumer Education and Research Centre v Union of India* (1995) 3 SCC 42.

³²*Indian Federation of App Based Transport Workers v Union of India* WP (C) 1068/2021 (SC); Supreme Court Observer, 'Gig Workers' Access to Social Security', <https://www.scobserver.in/cases/gig-workers-access-to-social-security-the-indian-federation-of-app-based-transport-workers-ifat-v-union-of-india/> accessed 23 October 2026.

³³*Indian Federation of App Based Transport Workers* WP (C) 1068/2021, order dated 18 February 2025.

petition was last reported as pending, and its outcome could shape whether contribution is treated as a favour or an obligation.

The absence of mention regarding employment status in The Code maintains the relevance of previous principles. In *Dharangadhra*, control was the decisive test³⁴; *Hussainbhai* looked past the contractual label to whose business the labour actually served³⁵; and later decisions confirm that courts examine the substance of a relationship and not its description³⁶. The United Kingdom Supreme Court, in *Uber BV v Aslam*, held that drivers were "workers" after examining the platform's control over pricing, terms and ratings³⁷. The connection to funding is direct. If courts eventually view platforms as employers in certain situations, contributions from aggregators will no longer appear as a unique levy and will instead seem like a reduced alternative to employer responsibility.

AN ACCOUNTABLE DESIGN

Karnataka's structure presents a valuable comparison. A charge on every payment is instantly payable, monitors the labour acquired, and is easy to review, as the transaction history serves as the foundation³⁸. One drawback is that it affects platforms with slim margins as much as those that are profitable, and it can be transferred to consumers or employees with equal ease. A nationwide plan could adopt its clarity without mimicking its pricing system, and could view the state charge as a deduction from the main responsibility.

Six minor changes arise from the examination.

- Initially, establish the meaning of "yearly turnover" by law, ideally as the total amount of transactions the aggregator assists with, to avoid dependence on accounting decisions.
- Secondly, introduce a minimum threshold stated as a portion of employee payments, while maintaining the maximum limit of five per cent, to ensure that the contribution aligns with labour utilisation.

³⁴*Dharangadhra Chemical Works Ltd v State of Saurashtra* AIR 1957 SC 264.

³⁵*Hussainbhai v Alath Factory Thozhilali Union* (1978) 4 SCC 257.

³⁶*Workmen of Nilgiri Cooperative Marketing Society Ltd v State of Tamil Nadu* (2004) 3 SCC 514.

³⁷*Uber BV v Aslam* [2021] UKSC 5, [2021] ICR 657.

³⁸Imam (n 10); Karnataka Act 2025 (n 11).

- Thirdly, disallow any subtraction or decrease from worker salaries to finance the contribution.
- Fourth, segregate aggregator funds in the Fund and mandate yearly public reporting for each aggregator independently audited.
- Fifth, inform about the interest rate and start date alongside disclosed pricing, and offset payments to state entities against the central liability to avoid duplicative taxation.
- Sixth, allow aggregation of workdays across various platforms through a transferable account, and assign the responsibility of maintaining data accuracy to the aggregator instead of the worker.

CONCLUSION

Currently, individuals experiencing precarity are the ones primarily bearing its consequences. While acknowledging gig work in the Code represents advancement, the suggested payment remains vague in terms of its basis, minimal in its returns, unspecified in its frequency, and inadequately monitored in terms of both collection and utilisation. However, all these issues can be rectified. Establishing a clear foundation, a floor linked to payouts, prohibiting pass-through, and creating a transparent fund would transform a commitment into an establishment. Whether the Supreme Court or the executive branch takes the initial step, the fundamental idea should be agreed upon that the individuals who benefit from the work of an employee should bear a noticeable and enforceable portion of the risk generated by that work. This is a reasonable request, and the information examined indicates that it is well past time for its implementation.