
THE “INVISIBLE WORKFORCE” FINALLY GETS A NAME TAG? A STUDENT’S TAKE ON GIG WORKERS AND NEW LABOUR LAWS

Anoushka Narayana Phanswal, Student, Amity International School, Noida

ABSTRACT

The rapid expansion of the digital platform economy has fundamentally altered traditional employment relationships, giving rise to a large and growing category of workers commonly referred to as “gig workers” and “platform workers.” In India, these workers have historically existed outside the protective framework of labour legislation, resulting in limited access to social security, income stability, and legal remedies. The enactment of the Code on Social Security, 2020 marks the first formal legislative recognition of gig and platform workers within Indian labour law. This paper critically examines the legal status of gig workers in India, with a specific focus on the social security framework introduced under the Code on Social Security, 2020. It analyses the definitions, funding mechanisms, and proposed welfare measures under the Code, while also identifying structural and practical limitations in its implementation. The paper further evaluates whether the current legal approach adequately balances labour protection with the flexibility that characterises gig work. By situating the Indian framework within broader debates on employment classification and workers’ rights, this paper argues that although the Code represents a significant and progressive step, it remains an incomplete solution. Strengthening enforcement mechanisms, clarifying eligibility conditions, and addressing issues such as minimum wages and algorithmic control are essential to ensuring meaningful protection for gig workers. The study concludes that India is at a transitional moment in labour regulation, where incremental reforms must evolve into a more comprehensive and rights-based approach to the future of work.

Key Words: - *Gig Workers, Platform Economy, Social Security, Labour Law, Code on Social Security 2020*

INTRODUCTION

The nature of work in the twenty-first century has undergone a profound transformation. Digital platforms such as Uber, Ola, Zomato, Swiggy, Urban Company, and Big Basket have enabled on-demand services that rely on a flexible workforce engaged on a task-by-task basis. These workers, commonly referred to as gig workers, perform essential services that sustain urban life, yet their legal status has remained uncertain for years. They are typically classified neither as traditional employees nor as fully independent contractors, placing them in a regulatory grey zone. In India, labour laws have historically been designed around standard employer–employee relationships, offering protections such as minimum wages, provident fund benefits, gratuity, and job security. Gig workers, however, have largely remained excluded from these protections due to the absence of a clear employment relationship. This exclusion has raised serious concerns regarding economic vulnerability, occupational safety, and social justice, particularly as the gig economy expanded rapidly following the growth of smartphone penetration and app-based services. Recognising these challenges, the Indian legislature enacted the Code on Social Security, 2020 as part of a broader labour law reform initiative. For the first time, the Code explicitly recognises gig workers and platform workers as distinct categories eligible for certain social security benefits. This paper seeks to analyse whether this legislative intervention meaningfully addresses the long-standing vulnerabilities faced by gig workers, or whether it merely offers symbolic recognition without adequate enforcement.

CONCEPT AND LEGAL STATUS OF GIG WORKERS

The term “gig worker” generally refers to individuals who engage in short-term, task-based work arrangements facilitated through digital platforms. The Code on Social Security, 2020 defines a gig worker as a person who performs work or participates in a work arrangement and earns from such activities outside the traditional employer–employee relationship. Platform workers are further defined as those engaged through online platforms that connect service providers with consumers.

This statutory recognition is significant because it acknowledges that gig work constitutes a distinct form of labour deserving of legal attention. However, the Code deliberately avoids classifying gig workers as “employees.” As a result, they remain excluded from core labour

protections such as minimum wages, collective bargaining rights, and protection against unfair termination. This intermediate status reflects the legislature's attempt to preserve flexibility for platforms while offering limited welfare safeguards to workers.

SOCIAL SECURITY FRAMEWORK UNDER THE CODE ON SOCIAL SECURITY, 2020

One of the most notable features of the Code is the introduction of a dedicated social security framework for gig and platform workers. The Code empowers the central and state governments to formulate welfare schemes covering benefits such as life and disability insurance, accident insurance, health and maternity benefits, old-age protection, and education-related assistance.

A key innovation lies in the funding mechanism. The Code mandates that digital aggregators contribute a specified percentage of their annual turnover, subject to prescribed limits, to a social security fund for gig and platform workers. This represents a departure from traditional contributory models based solely on employer–employee contributions. By placing a statutory obligation on aggregators, the Code recognises their economic dependence on gig labour.

Despite this progressive intent, the implementation framework raises concerns. Draft rules indicate that eligibility for benefits may be linked to minimum work thresholds, such as completing a specified number of days or tasks on a single platform. In practice, many gig workers operate across multiple platforms simultaneously, potentially disqualifying them from benefits despite sustained engagement in gig work throughout the year.

KEY CHALLENGES AND LIMITATIONS

Absence of Minimum Wage Protection

One of the most significant limitations of the current framework is the absence of minimum wage protection for gig workers. Since they are not classified as employees, the provisions of the Code on Wages, 2019 do not apply to them. Consequently, gig workers remain subject to fluctuating pay structures determined by algorithms, incentive schemes, and unilateral changes imposed by platforms.

Algorithmic Control and De-platforming

Although gig work is often portrayed as flexible and autonomous, platform companies exercise substantial control through algorithms that determine task allocation, pricing, ratings, and access to work opportunities. The Code does not address the issue of algorithmic management or provide safeguards against arbitrary de-platforming, leaving workers vulnerable to sudden loss of income without due process.

Implementation and Enforcement Gaps

Another critical concern relates to enforcement. The Code largely relies on future rule-making and executive discretion, resulting in uncertainty regarding the scope, adequacy, and uniformity of welfare schemes across states. Without clear timelines, grievance redressal mechanisms, and accountability standards, the promised benefits risk remaining underutilised or inaccessible.

RECENT DEVELOPMENTS (2025)

A noteworthy development in the regulation of gig and platform work in India occurred in 2025 with the phased operationalisation of the four Labour Codes, particularly through the notification and proposed enforcement of rules under the Code on Social Security, 2020. While the statutory recognition of gig and platform workers was introduced earlier, the 2025 developments are significant because they mark a shift from legislative intent to practical implementation.

In 2025, the Central Government initiated mechanisms for the formal registration of gig and platform workers through designated portals, enabling the creation of a verified database linked to social security entitlements. This administrative step is crucial, as it allows gig workers to be identified as beneficiaries under notified welfare schemes rather than remaining merely a recognised category in law. The operational framework also clarified the obligation of digital aggregators to contribute to social security funds, reinforcing the principle that platforms deriving economic benefit from gig labour must share responsibility for worker welfare.

The 2025 rules and draft notifications further sought to specify eligibility criteria for accessing social security benefits, including minimum engagement thresholds and documentation requirements. Although intended to ensure targeted delivery and prevent misuse, these conditions raise concerns regarding exclusion. Gig workers frequently operate across multiple platforms and may not satisfy platform-specific thresholds despite continuous participation in the

gig economy. This reveals an ongoing tension between administrative convenience and the fragmented, multi-platform reality of gig work.

Overall, the developments of 2025 represent an important transition point in Indian labour regulation. For the first time, gig and platform workers are envisaged not only as a recognised category but as participants within a state-administered social security system. However, these measures continue to reflect a predominantly welfare-based approach and stop short of extending core labour rights such as minimum wages, employment security, and protection against arbitrary de-platforming.

COMPARATIVE AND POLICY PERSPECTIVES

Globally, jurisdictions have adopted varying approaches to regulating gig work. Some countries have moved towards reclassifying certain gig workers as employees, while others have created intermediate categories with partial protections. India's approach aligns with the latter, reflecting a cautious balance between innovation and welfare. However, international experience suggests that social security without income protection may be insufficient to address structural precarity.

From a policy perspective, there is a growing need to reconsider whether flexibility and protection must necessarily be treated as mutually exclusive. Legal reforms could explore hybrid models that guarantee baseline earnings, transparency in algorithmic decision-making, and collective representation without undermining platform-based business models.

CONCLUSION

The recognition of gig and platform workers under the Code on Social Security, 2020 represents a landmark development in Indian labour law, and the implementation-oriented reforms introduced in 2025 further strengthen this framework. The operationalisation of the Labour Codes, particularly through registration mechanisms and aggregator contribution obligations, signals a shift from symbolic recognition to practical governance of gig work.

However, despite these advances, the protection offered to gig workers remains limited in scope. The 2025 developments largely reinforce a welfare-oriented approach without addressing core issues such as minimum wage guarantees, income stability, algorithmic transparency, and protection against arbitrary de-platforming. As a result, gig workers continue to occupy an

intermediate legal status that provides social security benefits but not comprehensive labour rights.

As India continues its transition towards a platform-driven economy, the experience of implementing the Labour Codes in 2025 will be critical in shaping future reforms. Incremental measures such as registration and welfare schemes must evolve into a more holistic regulatory framework that balances flexibility with dignity, fairness, and security. A rights-based approach, supplemented by effective enforcement and participatory policy design, will be essential to ensure that the future of work does not perpetuate precarity for the millions who sustain the digital economy.

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