

## **Labour Rights and Legal Challenges in the Gig Economy**

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### **Abstract:**

Traditional employment models have been transformed by the growth of the gig economy and platform-based labour, which provide flexibility and convenience for both consumers and employees. However, because gig workers frequently work outside the purview of traditional labour laws, this change has also presented serious difficulties for labour rights and legal safeguards. They encounter problems such as insufficient minimum pay protections, inadequate social security benefits, unpredictable work schedules, and few options for conflict resolution. Based on a comparative examination of current labor legislation, this study identifies the legal inadequacies and regulatory hurdles that prevent gig workers' rights from being protected. laws, judicial rulings, and worldwide norms. It illustrates the conflict between regulatory structures and technological advancement by demonstrating how current laws, intended for official employment, have trouble adapting to non-traditional employment models.<sup>2</sup>

The study goes on to look at potential policy solutions, such as recommendations for expanding social security coverage, enacting fair wage laws, and redefining job categories to encompass gig and platform employees. The research emphasizes the need for a comprehensive legal framework that strikes a balance between flexibility and protection, guaranteeing gig workers fair treatment and security by looking at both domestic and foreign viewpoints. The study suggests that protecting labour rights in the gig economy is not only a legal need but also an economic and social one, since It promotes fairness, lessens exploitation, and improves the sustainability of the workforce. The study concludes with a call for collaborative action between

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<sup>2</sup> International Labour Organization, “World Employment and Social Outlook 2021: The Role of Digital Labour Platforms in Transforming the World of Work” (ILO 2021).

governments, platforms, and workers, as well as proactive legislative changes and coordinated policy measures, in order to build a gig economy that is more inclusive, equitable, and accountable.<sup>3</sup>

**Keywords:** Platform Work, Labour Rights, Legal Challenges, Employment Law, Social Security, Worker Protection, Gig Economy.

**I. Introduction:** The advent of the gig economy marks one of the most profound shifts in the modern labour market. Fuelled by rapid technological advancement, digitalization, and the rise of online platforms such as Uber, Swiggy, Zomato, and Fiverr, the nature of work has undergone a remarkable transformation. Traditional notions of employment characterized by fixed hours, long-term contracts, and employer-provided benefits are increasingly being replaced by short-term, task-based engagements commonly referred to as gigs. While this new model offers flexibility, autonomy, and access to income-generating opportunities, it simultaneously presents complex legal and labour rights challenges.<sup>4</sup>

Gig workers often operate outside the scope of formal employment relationships. They are typically classified as independent contractors, which excludes them from statutory protections such as minimum wages, health benefits, insurance coverage, maternity leave, and collective bargaining rights. This classification raises critical questions about fairness, accountability, and the adequacy of existing labour laws in addressing the realities of platform-based work. Moreover, the lack of social security measures, unclear employer responsibilities, and algorithm-driven work allocation systems have intensified debates on the need for a redefined legal framework that ensures both flexibility and fairness.<sup>5</sup>

In this evolving landscape, the protection of labor rights has become an urgent concern for policymakers, jurists, and social scientists. The challenge lies in striking a balance between fostering technological innovation and safeguarding the dignity, stability, and security of the workforce. As economies increasingly depend on

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<sup>3</sup> Prabhu, S. & Singh, R., **Legal Challenges and Rights of Gig Workers in India**, *Indian Journal of Labour Economics*, Vol. 63, No. 4 (2020), pp. 789–805.

<sup>4</sup> Mehta, R. & Singh, D., **The Legal Status and Protection of Gig Workers in India: Challenges and Policy Imperatives**, *Journal of Indian Law and Society*, Vol. 12, No. 2 (2021), pp. 45–62.

<sup>5</sup> International Labour Organization, **World Employment and Social Outlook 2021: The Role of Digital Labour Platforms in Transforming the World of Work** (ILO 2021), available at <https://www.ilo.org/global>.

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digital labor platforms, a comprehensive understanding of the legal challenges and regulatory gaps is essential to create equitable and sustainable labour policies for the future.<sup>6</sup>

- a) **Background and Significance of the Gig Economy:** The term *gig economy* refers to a labor market characterized by short-term contracts, freelance work, and temporary engagements rather than permanent employment. This model has evolved alongside rapid technological advancements, particularly through digital platforms such as Uber, Swiggy, Zomato, and Amazon Mechanical Turk. These platforms connect service providers directly with consumers, offering flexibility and autonomy to workers while enabling businesses to scale rapidly without traditional employment costs. The gig economy's significance lies in its transformative potential for labor markets, economic productivity, and social inclusion. It provides income opportunities for millions, including students, homemakers, and semi-skilled workers who may not fit into traditional employment structures. However, its unregulated nature has led to pressing questions about social security, job stability, and the redefinition of employer-employee relationships in the modern era.<sup>7</sup>
- b) **Overview of Changing Employment Patterns and Emergence of Platform Work:** The 21st century has witnessed a paradigm shift from conventional 9-to-5 employment toward flexible, project-based work arrangements. Technological innovation, globalization, and the aftermath of economic crises have collectively fueled the rise of non-standard employment. Traditional workplaces that once prioritized long-term job security now emphasize agility and cost-effectiveness. Platform work where digital applications mediate between service providers and consumers has become the cornerstone of this transformation. Workers such as drivers, delivery personnel, graphic designers, and content creators now earn through digital intermediaries. While this offers flexibility and independence, it also blurs the boundaries of traditional employment law,

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<sup>6</sup> Cherry, M. A., **Beyond Misclassification: The Digital Transformation of Work**, *Comparative Labour Law & Policy Journal*, Vol. 37, No. 3 (2016), pp. 577–602.

<sup>7</sup> K. Rani & S. Thomas, **Emerging Trends in the Gig Economy: Opportunities and Legal Challenges in India**, *Indian Journal of Labour Economics*, Vol. 64, No. 3 (2021), pp. 523–540.

making it difficult to apply existing labor protections such as minimum wage, health insurance, or collective bargaining rights.<sup>8</sup>

- c) **Statement of the Problem: Legal Gaps and Labour Rights Issues:** Despite its economic potential, the gig economy exposes critical legal and ethical gaps. Gig workers are often classified as *independent contractors* rather than *employees*, which excludes them from basic labor protections like provident fund benefits, maternity leave, and workplace safety. The absence of a clear legal framework creates uncertainty in resolving disputes regarding unfair termination, delayed payments, or algorithmic bias in work allocation. Moreover, the lack of social security mechanisms and collective representation leaves workers vulnerable to exploitation and economic insecurity. Existing labor laws, designed for traditional employment structures, fail to address the unique challenges of digital platforms. Thus, the central problem lies in balancing flexibility and innovation with fairness, protection, and social justice for gig workers.

**4. Objectives of the Study: The main objectives of the study are as follows:**

1. To examine the evolution and growth of the gig economy in India and globally.
2. To analyze the changing patterns of employment and their socio-economic implications.
3. To identify the legal and policy gaps concerning the rights and welfare of gig workers.
4. To evaluate existing labor law frameworks and propose reforms for better protection and inclusivity.
5. To suggest policy recommendations that ensures sustainable and equitable development of the gig economy.

**5. Research Questions / Hypotheses:** The study is guided by the following research questions:

1. How has the rise of digital platforms redefined employment relationships?

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<sup>8</sup> K. Abraham & S. Houseman, **Work and Labour in the Digital Age: Understanding the Transformation of Employment Relationships**, *ILR Review*, Vol. 74, No. 3 (2021), pp. 543–569.

2. What are the primary legal challenges faced by gig workers in securing fair labor rights?
3. To what extent do existing labor laws protect gig workers, and where do they fall short?
4. Can a new hybrid model of employment law bridge the gap between flexibility and protection?

**Hypothesis:** The current legal framework is inadequate to address the evolving nature of gig and platform-based work, necessitating comprehensive reforms to safeguard workers' rights without compromising the efficiency and flexibility of the digital economy.

## **II. Conceptual Framework**

### **a) Definition and Characteristics of the Gig Economy and Platform Work:**

<sup>9</sup>The gig economy refers to a labour market characterized by short-term contracts, freelance work, or task-based employment rather than permanent, full-time jobs. It operates largely through digital platforms that connect workers (service providers) with customers seeking specific services. Examples include ride-hailing (Uber, Ola), food delivery (Swiggy, Zomato), freelancing (Upwork, Fiverr), and home services (Urban Clap).<sup>10</sup>

#### **Key Characteristics:**

- Flexibility: Workers choose when and how much to work.
- Task-based remuneration: Payment is made per task or “gig,” not as a salary.
- Technology-driven: Platforms use algorithms and apps to allocate work and track performance.
- Lack of long-term employer-employee relationship: Workers are often classified as independent contractors.
- Global reach: Work can be performed remotely and cross-border, expanding opportunities beyond traditional labour markets.

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<sup>9</sup> De Stefano, V., **The Rise of the ‘Just-in-Time Workforce’: On-Demand Work, Crowd work, and Labour Protection in the Gig-Economy**, *Comparative Labour Law & Policy Journal*, Vol. 37, No. 3 (2016), pp. 471–504.

<sup>10</sup> International Labour Organization, **Digital Labour Platforms and the Future of Work: Towards Decent Work in the Online World** (ILO 2018)

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However, this new model of work challenges traditional notions of job security, fair wages, and social protection.

b) **Legal Concepts:** Employment vs. Independent Contractor, Labour Rights, and Social Security: The legal distinction between an employee and an independent contractor is crucial in determining rights and obligations under labour laws.

- Employee: Works under the direction and control of an employer, with entitlement to statutory benefits such as minimum wage, provident fund, gratuity, and social security.
- Independent Contractor: Engaged to perform specific tasks, retains control over how to complete them, and is not covered by most labour protections.

**In the gig economy, platforms often categorize workers as independent contractors to avoid legal obligations such as:**

- Provident Fund contributions
- Paid leave and maternity benefits
- Industrial dispute protections
- Unemployment or injury compensation

This classification creates “grey zones” in law, where workers lack access to basic labour rights and social security schemes. However, recent judicial and policy developments are challenging this classification. For instance, in some countries (like the UK in the *Uber BV v. Aslam* case), gig workers have been recognized as “workers” entitled to minimum wage and paid leave. In India, the Code on Social Security, 2020 acknowledges “gig workers” and “platform workers” as distinct categories, extending certain welfare benefits through social security schemes.<sup>11</sup>

**III. Theoretical Perspectives on Labour Protection in Non-Traditional Work:** The gig economy has prompted renewed theoretical debate on how labour law should adapt to the changing nature of work.

- i. **Classical Labour Theory:** Traditional labour law was designed to protect workers from the unequal bargaining power inherent in the employer

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<sup>11</sup> Government of India, Ministry of Labour and Employment, **Code on Social Security, 2020**, Sections 2(78–79),

- employee relationship. Under this view, gig workers should be reclassified as employees to ensure fairness and protection.
- ii. **Flexicurity Approach:** Originating in European labour policy, this model promotes a balance between flexibility and security allowing flexible work arrangements while ensuring adequate social protection (such as health insurance and unemployment benefits).<sup>12</sup>
  - iii. **Platform Governance Theory:** This theory emphasizes the algorithmic control and data-driven supervision in platform work. Although workers are labeled as “independent,” platforms exert significant control through ratings, performance metrics, and deactivation policies mirroring traditional employment control mechanisms.<sup>13</sup>
  - iv. **Human Rights and Social Justice Perspective:** This approach views decent work as a fundamental human right, arguing that all workers, regardless of employment classification, deserve protection, dignity, and fair compensation.

**IV. Legal Framework and Policy Analysis:** India’s existing labour law framework was primarily designed for traditional employment relationships — where there is a clear employer-employee connection, fixed working hours, and regular wages. The gig economy, however, operates outside these conventional structures.

- i. **The Industrial Disputes Act, 1947:** Governs the relationship between employers and employees and provides mechanisms for dispute resolution. However, it does not cover gig or platform workers who are not considered “workmen.”
- ii. **The Minimum Wages Act, 1948 and Payment of Wages Act, 1936:** Ensure fair wages and timely payment, but applicability depends on the existence of a formal employer-employee relationship.
- iii. **The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and Employees’ State Insurance Act, 1948:** Provide social security benefits, which gig workers are generally excluded from due to their “independent contractor” status.

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<sup>12</sup> European Commission, **Flexicurity: Enhancing Labour Market Performance through Flexibility and Security** (2010),

<sup>13</sup> Rosenblat, A. & Stark, L., “Algorithmic Labor and Information Asymmetries: A Case Study of Uber’s Drivers”, *International Journal of Communication*, Vol. 10 (2016), pp. 3758–3784 (illustrating platform governance theory and algorithmic control in gig work).

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- iv. **The Code on Social Security, 2020:** Marks a major policy shift, as it explicitly defines *gig workers* and *platform workers* and proposes to extend social security schemes (such as life and disability cover, health and maternity benefits, and old age protection). This represents India's first legislative acknowledgment of gig work as a distinct form of labour.

Despite this progress, the Code's implementation remains limited, and enforcement mechanisms for ensuring social protection are still evolving.

**V. International Labour Standards Relevant to Gig Work:** The International Labour Organization (ILO) has recognized the changing nature of work and emphasized "Decent Work for All" as a guiding principle. While there is no specific ILO convention on gig or platform work, several instruments indirectly apply:

- i. ILO Convention No. 87 (Freedom of Association) and Convention No. 98 (Right to Organize and Collective Bargaining): Encourage workers' ability to form associations and negotiate collectively — principles relevant to gig workers seeking representation.<sup>14</sup>
- ii. ILO Convention No. 102 (Social Security - Minimum Standards): Establishes the right to social protection for all workers, including those in non-standard forms of employment.<sup>15</sup>
- iii. ILO Recommendation No. 198 (Employment Relationship, 2006): Urges member states to address ambiguities in employment classification to prevent denial of labour rights.<sup>16</sup>
- iv. ILO Declaration on Fundamental Principles and Rights at Work (1998): Calls for universal labour standards, regardless of the nature of work or contractual status.<sup>17</sup>

Globally, the ILO and the OECD have both stressed the need for adaptive legal frameworks to integrate gig workers into national labour protection systems.

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<sup>14</sup> International Labour Organization, "Declaration on Fundamental Principles and Rights at Work, 1998"

<sup>15</sup> International Labour Organization, "Social Security (Minimum Standards) Convention, 1952 (No. 102)"

<sup>16</sup> International Labour Organization, "Employment Relationship Recommendation, 2006 (No. 198)"

<sup>17</sup> International Labour Organization, "Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)" and "Right to Organise and Collective Bargaining Convention, 1949 (No. 98)"

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**VI. Judicial Pronouncements and Interpretations Concerning Gig Workers: Judicial decisions in various jurisdictions have played a crucial role in shaping the rights of gig workers:**

- i. **United Kingdom:** In *Uber BV v. Aslam* (2021), the UK Supreme Court held that Uber drivers are “workers,” not independent contractors, granting them rights such as minimum wage and paid leave.<sup>18</sup>
- ii. **United States:** In *Dynamex Operations West, Inc. v. Superior Court* (2018), the California Supreme Court adopted the “ABC test” to determine employment status, limiting companies’ ability to classify workers as independent contractors.<sup>19</sup>
- iii. **India:** Indian courts have yet to conclusively define gig workers’ legal status. However, judicial observations in labour law cases reflect a gradual recognition of platform control as a factor suggesting employment-like relationships. The Code on Social Security, 2020 provides statutory recognition, but judicial interpretation remains limited.<sup>20</sup>

These cases demonstrate that courts worldwide are increasingly scrutinizing power asymmetries in gig work arrangements and emphasizing worker protection over contractual labeling.

**Identification of Legal Gaps and Challenges: Despite recent reforms, significant legal and policy gaps persist:**

- i. **Ambiguity in Classification:** Gig workers remain in a grey area — neither fully “employees” nor entirely “independent contractors.”
- ii. **Lack of Enforcement Mechanisms:** Social security provisions under the 2020 Code lack clarity on implementation, funding, and accountability.
- iii. **Absence of Collective Bargaining Rights:** Most gig workers cannot unionize or negotiate better terms due to restrictive platform policies.

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<sup>18</sup> **Uber BV v. Aslam**, [2021] UKSC 5, [2021] 2 WLR 829 (UK) (holding that Uber drivers are “workers” entitled to minimum wage and paid leave).

<sup>19</sup> **Dynamex Operations West, Inc. v. Superior Court**, 4 Cal.5th 903 (2018) (California Supreme Court) (establishing the “ABC test” for determining employment status).

<sup>20</sup> Government of India, Ministry of Labour and Employment, **Code on Social Security, 2020**, Sections 2(78–79),

- iv. **Algorithmic Control and Transparency Issues:** Platform decisions on task allocation and deactivation are opaque, often leading to unfair treatment.
- v. **Limited Access to Legal Remedies:** Existing labour tribunals and welfare boards are designed for formal workers, leaving gig workers without proper grievance redressal.

Addressing these challenges requires legal innovation — possibly through hybrid employment categories, mandatory platform accountability, and inclusive social protection schemes that reflect the realities of digital labour markets.

**Challenges Faced by Gig Workers:** The rapid expansion of the gig economy has reshaped employment structures, offering flexibility and new income opportunities. However, beneath this apparent freedom lies a range of systemic challenges that affect the welfare, stability, and dignity of gig workers. The most pressing issues include wage disparities, lack of social security, limited grievance redressal mechanisms, and ambiguous employment classification.

- a) **Wage Disparities, Minimum Wage Issues, and Lack of Job Security:** Gig workers often face unregulated and inconsistent income levels. Unlike traditional employees, they are usually paid per task or delivery, which leads to wage uncertainty. Factors such as fluctuating demand, algorithmic allocation of work, and dynamic pricing models directly affect their earnings. In many instances, effective hourly wages fall below statutory minimum wage standards, particularly when unpaid waiting time, fuel expenses, or data costs are considered. The absence of clear legal mandates linking gig work with minimum wage protection leaves workers vulnerable to income volatility and exploitation.<sup>21</sup> Additionally, the lack of job security compounds these challenges. Gig workers can be “deactivated” or removed from platforms without due process or notice, often based on opaque customer rating systems. Such algorithmic terminations mimic dismissal but lack any procedural safeguards, leaving workers without employment continuity or retrenchment compensation.

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<sup>21</sup> International Labour Organization, “**World Employment and Social Outlook 2021: The Role of Digital Labour Platforms in Transforming the World of Work**” (ILO 2021),

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- b) Absence of Social Security, Health Benefits, and Insurance Coverage:** One of the most critical gaps in the gig economy is the absence of comprehensive social protection. Since gig workers are not recognized as employees under most labour statutes, they remain outside the scope of provident fund, pension, health insurance, maternity benefits, or disability compensation. The Code on Social Security, 2020 in India attempts to bridge this gap by identifying gig and platform workers as distinct categories eligible for certain welfare schemes. However, implementation remains weak, and coverage under such schemes is still voluntary or limited.<sup>22</sup> The COVID-19 pandemic starkly exposed the vulnerability of gig workers, many of whom faced income loss without access to medical or financial support. The absence of employer-contributed insurance and healthcare provisions has made it difficult for gig workers to sustain livelihoods during crises, emphasizing the urgent need for a universal social security net.
- c) Limited Avenues for Grievance Redressal and Collective Bargaining:** Traditional workers can approach labour courts, industrial tribunals, or unions for the resolution of disputes related to wages, dismissal, or unfair practices. Gig workers, however, have no formal grievance redressal mechanisms since their relationship with platforms is governed by private contracts and digital terms of service rather than statutory employment laws. Most platforms operate unilaterally, leaving workers with little scope to negotiate working conditions or challenge unfair algorithmic decisions. Attempts to unionize gig workers such as by the Indian Federation of App-Based Transport Workers (IFAT) and All India Gig Workers Union (AIGWU) represent emerging efforts toward collective representation. Yet, such associations lack formal recognition under labour law, limiting their bargaining power. Thus, the absence of structured grievance redressal and collective negotiation avenues perpetuates power imbalances between platforms and workers, reinforcing economic insecurity.
- d) Issues in Classification of Employment Status:** At the heart of the gig economy's legal challenges lies the ambiguous classification of employment status. Most platforms designate gig workers as "independent contractors", allowing them to avoid obligations related to minimum wages, social security,

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<sup>22</sup> Government of India, Ministry of Labour and Employment, **Code on Social Security, 2020**, Sections 2(78–79)

and welfare benefits. However, this classification ignores the degree of control platforms exercise over workers through app-based algorithms, performance metrics, and customer ratings—all of which mirror features of an employer–employee relationship. Courts and policymakers worldwide have begun to question this model. Landmark decisions such as *Uber BV v. Aslam* (UK, 2021)<sup>23</sup> and *Dynamex Operations West v. Superior Court* (US, 2018)<sup>24</sup> have recognized platform workers as “employees” or “workers,” granting them limited statutory rights. In India, while the Code on Social Security (2020) acknowledges gig workers, it stops short of equating them with employees, thereby maintaining the grey zone in labour classification. This uncertainty not only denies gig workers basic protections but also fragments accountability, as platforms continue to evade employer responsibilities under the guise of technological intermediation. The challenges faced by gig workers reveal deep structural imbalances within the digital labour ecosystem. Wage disparities, absence of social protection, lack of collective voice, and unclear employment status undermine the promise of inclusive growth. For the gig economy to evolve sustainably, policy reforms must integrate flexibility with fairness, ensuring that digital innovation does not come at the cost of workers’ rights, dignity, and economic security.

- **Comparative Analysis** — how other jurisdictions address gig-worker rights & successful models: Below is a country/region-by-region comparison followed by a short catalogue of successful or notable models that policy-makers cite when redesigning protection for platform workers.
- United States (federal patchwork; state-level battlegrounds): There is no single federal gig-worker law; protection is shaped by state courts, statutes and ballot initiatives. The “ABC test” (from *Dynamex*, California, 2018) is a pivotal judicial standard used to decide whether a worker is an employee.<sup>25</sup>

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<sup>23</sup> Ibid, Page.no.9.

<sup>24</sup> Ibid, Page.no.9.

<sup>25</sup> Ibid, Pg.No.9.

- **California has been the centre of competing developments:** Dynamex pushed for employee classification (ABC test), Proposition 22 (2020) exempted app drivers from many employee rules and was later upheld by the California Supreme Court (2024), creating a distinctive contractor regime. Recent legislative compromises in 2025 have sought to give ride-hail drivers limited collective bargaining rights while keeping contractor status for many drivers — illustrating how US policy mixes court decisions, ballot law, and negotiated statutes.
- **United Kingdom (judicial recognition of worker status; protections applied):** The UK Supreme Court in *Uber BV v Aslam* (2021) held that Uber drivers were “workers” for purposes of minimum wage and paid-leave rights, focusing on the degree of platform control rather than the label in the contract. That judgment has been widely cited as a model for using existing employment tests to extend basic protections to platform workers.<sup>26</sup>
- **European Union (first-mover statutory standards for platform work):** The EU negotiated an EU-level Platform/Platform Work Directive (often called the Platform Work or Platform Workers Directive) that sets minimum standards for platform workers across Member States including algorithmic transparency, information rights, and stronger rules on employment status presumption where the platform exerts decisive control. The Directive is designed to combine (a) clearer criteria to establish employment relationships and (b) rights specific to platform work (e.g., how algorithms are used and how deactivations are handled).
- **India (statutory recognition + partial social-security focus):** The Code on Social Security, 2020 expressly recognises gig workers and platform workers as categories entitled to social protection schemes (pension, health, maternity, etc.), signalling a legislative approach that focuses on extending social security even where employment status remains ambiguous. States are experimenting with registration/welfare schemes (and the e-Shram portal has been used to capture unorganised/gig workers). Implementation and enforcement remain the key challenges.

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<sup>26</sup> Ibid, Pg. No. 9

Cross-jurisdictional trends & what counts as “successful” in practice

- a) **Presumption rules + control test:** Courts (UK) and EU rules prioritize actual control/algorithmic management as the test for worker protections rather than contractual labels; that approach has been effective at delivering tangible rights (minimum wage, paid leave).
- b) **Platform-specific legislation:** The EU Directive is notable because it creates ex ante rules on algorithmic transparency and status assessment across many countries — a structural solution rather than case-by-case litigation.
- c) **Social-security-first approach:** India’s Code shows a pragmatic path: provide social protection to gig workers regardless of strict employee classification, which can be quicker politically than re-labelling their contracts.
- d) **Hybrid or negotiated models:** Recent U.S. state experiments (e.g., California’s negotiated 2025 framework) aim to combine contractor status with collective bargaining or limited benefits, attempting a middle path that preserves platform flexibility while adding worker voice/benefits. These hybrid experiments are politically charged and legally fragile but important policy laboratories.

Successful models / policy tools that countries and researchers recommend

- i. **Worker/“dependent contractor” recognition where control exists** — judicially tested in the UK; gives immediate access to key protections (minimum wage, paid leave).
- ii. **EU Platform Work Directive-style rules** — algorithmic transparency, right to information, presumption mechanisms that shift burden to platforms to justify contractor labels. Seen as a structural model for the regulation of algorithmic management.
- iii. **Social-security extension without full reclassification** — India’s Code on Social Security model: legally recognise gig/platform workers for welfare entitlements (pension, health, maternity) even if they are not full employees. This can reduce immediate social-protection gaps.
- iv. **Collective bargaining/legal recognition of unions for platform workers** — state laws or negotiated settlements that allow sectoral bargaining (California 2025 deal is a contemporary example) can increase worker voice without instantly overturning contractor models.

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- v. **Platform cooperatives & worker ownership** — an alternative economic model promoted by OECD/ILO literature: worker-owned platforms can align incentives and ensure better distribution of value; promising but scaling is a challenge.
  - vi. **International guidance (ILO R198, OECD handbooks)** — using ILO’s Employment Relationship Recommendation (R198, 2006) and OECD/ILO measurement/AI guidance helps design laws that accurately capture platform control and apply minimum social protections. **Combine (A) clear status tests or presumptions (to stop label-shifting), (B) platform-specific rules on algorithmic transparency and deactivation, and (C) universal social-security coverage for non-standard workers.**

Jurisdictions that pair legal protection with enforceable implementation mechanisms (funding, registration, inspection, penalties) tend to produce better outcomes than those relying only on high-profile court wins or voluntary platform promises.

## **VII. Recommendations & Policy Interventions**

### A. Legislative reforms and regulatory frameworks (what law should do)

- i. **Adopt a presumption test for employment status:** Introduce a statutory presumption that a worker is an employee/“worker” when a platform exercises decisive control (algorithmic direction, price-setting, deactivation). Shift the burden to the platform to demonstrate genuine contractor independence. Courts and EU rules prioritize control over contract labels; presumption reduces label-shifting.
- ii. **Create platform-specific minimum standards (hybrid approach):** Enact a Platform Work Act (or amend labour codes) that guarantees a minimum earnings floor, paid leave pro-rata, occupational accident insurance and basic information rights (payment calculation, deactivation reasons). The EU Platform Work Directive sets such minimum requirements and has been adopted at EU level to standardize protections.
- iii. **Mandate algorithmic transparency and due process:** Require platforms to publish summary information on ranking/allocation algorithms, set out clear grounds and notice procedures before deactivation, and offer a human-review appeals channel. Algorithmic control is central to platform power; transparency plus review reduces arbitrary exclusions. (See OECD/ILO recommendations on regulating algorithmic management.)

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- iv. **Portable, contributory social protection for non-standard workers:** Establish portable benefit accounts: platforms (and where appropriate clients) contribute to a worker's portable fund used for pensions, health insurance, maternity leave, and unemployment support. Introduce matched public subsidies for low-earnings workers. OECD/ILO proposes extending social protection to non-standard workers via portable schemes and targeted contributions.
- v. **Reporting, registration and inspection regime:** Require platform registration, mandatory reporting of gig-worker incomes to tax and labour authorities (model reporting rules), and regular labour-compliance audits. Use this data to fund welfare schemes and track coverage. B. Role of platforms, government, and unions (who does what)

Platforms (private duty + corporate governance)

- **Obligations:** collect and remit social contributions, provide clear terms in local language, maintain appeals process, implement fair rating/deactivation policies, publish algorithmic impact assessments, and pay into a compulsory welfare fund or portable-benefit account.
- **Enforcement incentives:** link platform registration / market access to compliance; impose fines for non-compliance and require remediation plans.

Government (regulator & safety net provider)

- **Regulatory body:** create a "Platform Work Authority" (or extend existing labour regulator) to enforce transparency, conduct audits, disburse welfare funds, and maintain national gig-worker registry.
- **Funding & policy:** legislate contribution rules, subsidize portable benefits for low-income workers, and require platform reporting for taxation and social-security funding. Provide legal clarity on collective bargaining rights for platform workers.

Unions / Worker collectives (representation & co-regulation)

- **Legal recognition:** ensure platform workers can form associations and bargain collectively; grant recognized representative bodies rights to negotiate sectoral minimums and dispute procedures.

- **Co-regulation:** involve unions in standard-setting, algorithmic-impact reviews, and platform grievance panels (worker seats on oversight boards).

Effective protection combines regulatory enforcement, employer (platform) accountability and worker voice. ILO/OECD emphasise social dialogue and collective representation in platform work policy.

Mechanisms for social security, minimum wage, and grievance redressal (design details):

1. **Minimum earnings / earnings floor:** set a statutory hourly-equivalent floor (computed from per-task rates and expected average task time), with periodic indexation. Require platforms to disclose how per-task pay maps to the floor. automated monitoring via platform reporting; fines and temporary suspension for persistent shortfalls.

2. **Portable benefits & social security:** pension contributions, health insurance (basic), maternity/parental benefits, occupational accident/disease insurance, and a short-term emergency relief fund. Tripartite contributions (platform + worker + government subsidy for low-income), or a small per-transaction levy on platforms earmarked for welfare boards (example: Karnataka/Telangana state levies). Use national registry to disburse.

3. **Grievance redressal & dispute resolution**

- **Multi-tier model:** (1) in-app first-level redressal with human reviewer within X days; (2) independent mediation via the Platform Work Authority; (3) fast-track tribunal for statutory rights (minimum wage, wrongful deactivation).
- **Worker representation:** guarantee worker-representative seats on appeals panels; publish aggregated redressal outcomes to ensure transparency. OECD/ILO notes the importance of accessible dispute mechanisms for non-standard workers.

4. **Algorithmic audits & fairness checks:** periodic independent impact assessments (bias, opacity, deactivation) and public summaries. Platforms must remedy structural problems identified by audits. Enable anonymized data access to regulators and worker representatives for verification.

**D. Practical implementation tips & sequencing (how to make it work)**

1. **Phase 1 — Baseline: registration, reporting, welfare levy** (0–12 months): register platforms; start income reporting; set up welfare board and portable-benefit accounts.
2. **Phase 2 — Worker rights & transparency** (12–24 months): implement algorithmic transparency rules, minimum earnings floor, and grievance mechanism.
3. **Phase 3 — Social dialogue & enforcement** (24–36 months): formalize collective bargaining rights, scale benefit portability, and ramp up inspections/penalties.

**E. Monitoring, evaluation & evidence-based review:** Require platforms and the regulator to publish annual public monitoring reports (coverage, pay floors, grievances, deactivations). Use third-party evaluations (ILO/OECD guidance) to iterate.

**F. Quick policy note (why this mix works):** Combining **status presumption + platform-specific minimums + portable benefits + enforceable grievance mechanisms** balances flexibility (platform business models) and fairness (worker protection). This is the consensus approach in OECD/ILO policy literature and reflected in recent EU and national reforms.

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