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Rights and Challenges of Gig Workers in India's Digital Economy

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ABSTRACT

In the 21st century, Technology has become an unavoidable part of life. Due to advancements in technology, almost everything is just one click away. Technology has made life easier and faster, so that no one has to go outside and shop therefore, people use apps like Zomato, Zepto, Blinkit, etc., to get everything at their doorstep within minutes. The dependence on the digital economy has increased. The digital economy is a system of economic activity that relies on digital computing technologies, the internet, and data to create, market, and consume goods and services. In this era of digital economy and digital transformation, startups like Zomato and Blinkit in India have become unicorns and are playing a major role in boosting the digital economy by acting as aggregators. The digital economy has also created new opportunities in the labour market. The category of workers working in the digital economy is known as gig workers / platform workers. According to Section 2(35) of the Code on Social Security, 2020, a gig worker is a person who performs work or participates in a work arrangement and earns from such activities outside a traditional employer-employee relationship. By this Act, legal recognition has been given to gig workers in India. According to the Economic Survey of India, 2025-26, India has approximately 12 million (1.2 crore) gig and platform workers. Gig workers account for slightly over 2%of India's total workforce. The rapid increase in the number of gig and platform workers is mainly due to reasons such as better opportunities, flexible working hours, no specific skill requirements (except for certain jobs), and part-time or full-time job opportunities, but a lot of concerns are also attached like Income is unpredictable depending on demand, competition and seasonal trends. Although the Code on Social Security, 2020 has given legal recognition to gig workers, there is an absence of a comprehensive legal and regulatory framework, leaving gig workers vulnerable to exploitation without protection for fair wages, rights and working conditions .Due to these concerns, the need of the hour is to make a proper legal and regulatory framework to protect the rights of gig workers.

***Keywords**: Behavioral Intentions, Shapiro-Wilk Test, Multiple Linear Regression, Non-Normal.*

Introduction

India’s digital economy is playing a major role in the transformation and growth of the country. It has a significant share in GDP accounting for 11.74% of of the GDP in 2022-2023 and projected to contribute nearly 1/5th to the country’s overall economy by 2029-2030.[1] The digital economy is a digitized version of traditional economy where the product and services are available through e-platforms and payment is done via online transactions with the help of apps such as paytm, phone pay etc . In the 21st century the internet has become unavoidable part of everyone’s life. Also the ways and means of doing business has changed now. The seller or service providers uses online platforms for advertising purpose.

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[1] Ministry of Electronics and Information Technology. (2025, January 22). Release of report “Estimation and measurement of India’s digital economy” by Ministry of Electronics & Information Technology. Press Information Bureau, Government of India. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2095260

Social media also plays an important role for the promotion and advertising of buisnessv for example, seller creates a page related to their product on a social media platform like Instagram or Facebook for larger reach and allow collaboration such as reels and videos to make the product popular. The Internet and connectivity is the backbone of the digital economy. The digital economy has cross the geographical boundaries. It has made the e-commerce and e-business global. The digital India programme is major milestone in the India's digital transformation. The digital India programme helped bridge the digital divide by expanding internet access and bringing services online. It strengthened digital governance and made services faster, transparent, and more accessible. Millions now use digital platforms for healthcare, education, banking, and welfare delivery. Government investments in digital infrastructure have improved connectivity across rural and urban India. The programme also promoted the democratization of digital technologies through affordable internet and digital access at population scale. Under BharatNet-1 and BharatNet-2, a target was set to connect more than 2.22 lakh Gram Panchayat across the country. This has significantly strengthened e-governance, digital payments, online education, medicine, and local entrepreneurship in rural India. The broadband Internet subscriber base increased to 106.58 Cr. at the end of March 2026. More than 6.5 lakh Common Service Centers and 1.6 lakh post offices now deliver digital services. Today, platforms such as DigiLocker and the National Single Sign-On ecosystem enable seamless access to certificates, applications, payments, and public services, reducing paperwork while improving ease of living. Integrated platforms such as e-Hospital, e-Sanjeevani, and e-Courts have simplified access to certificates, healthcare and justice services, making governance more efficient and citizen centric. Initiatives such as MyGov and Open Government Data enable citizens to access information and stay connected with government programme and services in real time.

In this era of digital economy and digital transformation, startups like Zomato and Blinkit in India have become unicorns and they are playing a major role in boosting the digital economy by acting as aggregators. The digital economy has also created new opportunities in the labour market. Gig worker particularly platform worker is one the category of labour participating in digital economy and e-Commerce. A gig worker is a person working outside field of traditional field of occupation system where the working hours, terms of employment, wages and allowance are fixed under the contract of employment. However, According to the code on social security “PLATFORM WORKER” means a person engaged in or undertaking platform work.[1] these labour works outside the traditional occupation system including employer-employee. They are often freelancers working on digital platform according to their own needs and working requirement. Unlike traditional employment there is no specific contract, no fixed working hours and no fix wages.

Major Contributors

The government, companies and workers all three contribute to the gig economy. The government plays a major role in the implementation of laws related to labour and social security benefits. It prevents the exploitation of gig workers. Labour code such as the code on social security 2020, establishes some basic provisions relating to gig and platform workers and provides regulatory frameworks for implementation of laws. Companies such Zomato, Uber, Urban clap etc. acts as aggregators connect gig workers to consumers by providing work to gig workers and goods and services to consumers. Gig workers perform work through aggregators.

Objectives of the Research Paper

- To understand the concept of gig workers under indian law
- To study the rights of gig and platform workers
- To identify the key challenges faced by gig and platform workers

Rights of Gig and Platform Workers

The code on social security, 2020 has legally recognized the gig and platform workers for the first time. The state legislation like The Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023 and the karnataka platform based gig workers(social security and welfare) act, 2025 has recently provided statutory recognition at state level. At international level the ILO has adopted first international treaty on gig workers with the specifically addressing the workers on gig and platform economy.

[1]Government of India. (2020). The Code on Social Security, 2020 (Act No. 36 of 2020), Section 2(61).

- **Rights under the Code on Social Security, 2020**

The code on social security is an umbrella legislation for social security benefits. The code is a consolidation of nine central labour laws and it came into force November 21, 2025.

- **Legal Recognition**

It legally recognises the gig and platform workers. Gig and platform workers were considered a part of unorganised sector and were not protected under any law. The code also provide definitions of the following terms:

  - "**Aggregator**" - a digital intermediary or a market place for a buyer or user of a service to connect with the seller or the service provider;
  - '**Gig worker**'- a person who performs work or participates in a work arrangement and earns from such activities outside of traditional employer-employee relationship;
  - '**Platform worker**' – a person engaged in or undertaking platform work and;
  - '**Platform work**' - work arrangement outside of a traditional employer-employee relationship in which organizations or individuals use an online platform to access other organizations or individuals to solve specific problems or to provide specific services or any such other activities which may be notified by the Central Government, in exchange for payment.[1]

- **Social Security Benefits**

The code mandates the aggregators to contribute 1-2% of their annual turnover to a social security fund. workers now have rights under government notified schemes and benefits like accident insurance, health and maternity benefits. Chapter IX (section 109-114) of The Code On Social Security, 2020 deals with Social Security For unorganised Workers, Gig Workers and platform workers. section 109 of the code provides for the central government and state government, respectively, to formulate and notify from time to time, suitable welfare schemes for unorganised workers. The scheme formulated by the central government shall include matters relating to life and disability cover, health and maternity benefits, old age protection, education and any other benefits as may be determined by the Central Government. The schemes formulated by the State government shall include matters relating to provident fund, employment injury benefit, housing, educational schemes for children, skill upgradation of workers funeral assistance and old age homes. Section 114 of the code provides for the framing of schemes for gig workers and platform workers by the central government on the matters relating to life and disability cover, health and maternity benefits, old age protection, education and any other benefits as may be determined by the Central Government. It also provides that the National Social Security Board shall be Board for the welfare of gig workers and platform workers. The Code also mandates the establishment of a Social Security Fund (Section 114), financed through contributions from Central and State Governments, aggregator contributions, corporate social responsibility funds, and fines collected from compounding of offence. This fund is specifically designated to provide social security benefits to unorganised worker, gig worker, and platform workers.

Gig and platform workers can continue to enjoy their social security benefits even when switching jobs or platforms, ensuring continuity and security. These benefits were lost previously, while switching jobs. However, now each worker will receive a unique Aadhaar-linked ID generated through registration on e-Shram, allowing their social security benefits to be portable across platforms. The Ministry of Labour and Employment launched the e-Shram portal (eshram.gov.in) on 26th August 2021 for creation of a comprehensive National Database of unorganised Workers (NDUW) including platform workers, migrant workers etc. The e-Shram portal registers the unorganised workers including gig and platform workers and provides them a Universal Account Number (UAN) on a self-declaration basis.

The Ministry launched an Aggregator module on e-Shram portal on 12th December 2024 for the registration of the aggregators and the platform workers engaged by them[2].

Section 113 of the code provides for the registration of unorganised workers, gig workers and platform workers. It further provides that a registered unorganised worker, gig worker or platform worker shall be eligible to avail benefit of the concerned scheme framed under chapter IX. It also provides that

[1]Press Information Bureau. (2025, December 9). Labour reforms: Formalizing and safeguarding India's gig & platform workforce. Government of India.
[2]Ministry of Labour and Employment. (2026, January 29). Social security for gig and platform workers. Press Information Bureau, Government of India.

the central government or the state government shall make such contribution in a scheme as may be specified therein.

- **Rights of gig workers and platform workers under the Code On Wages, 2019**

According to section 5 of the code, employer shall pay minimum rates of wages to employee as notified by the appropriate government. The term "gig workers" and "platform workers" is not mentioned in this section but the employee includes workers of both organised and unorganised sector[1].

According to section 9 of the code, the central government has power to fix floor wages by taking into account the minimum living standards of a worker. Different floor wages may be fixed for different geographical areas. Before fixing the floor wages, the central government, may obtain the advice of the Central Advisory Board.

- **Rights under the Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023**[2]

Rajasthan is the first state which enacted a law for the protection of rights and to provide benefits of social security for gig workers and platform workers. The provisions under the act are as follows-

Section 3 of the act mandated the state government to constitute a board to exercise the powers conferred by the act known as "The Rajasthan Platform Based Gig Workers Welfare Board" and assigned duties and functions to it.

According to section 8 the aggregators shall provide the database of registered gig workers to state government.

Section 10 provides for the establishment of a welfare fund by the state government for the benefit of registered platform workers.

Section 13 deals with the rights of gig workers -All platform based gig workers shall have the right to: (a) be registered with the State Government on being on boarded on any platform, irrespective of the duration of the work, and be provided a Unique ID applicable across all platforms; (b) have access to general and specific social security schemes based on contributions made as may be notified by the State Government; (c) have an opportunity to be heard for any grievances and appropriate grievance redressal mechanism as specified in section 14; and (d) participate in all decisions taken for their welfare through representation in the Board.

Section1 6 &17 provide interest and penalties for aggregators on the failure of compliance with the provisions of the act.

- **Rights under Karnataka Platform-Based Gig Workers (Social Security and Welfare) Act, 2025**[3]

The act provides for the establishment of a welfare board including representation from officer of government, gig workers, aggregators, civil society and technical experts under section 3 & section 4 of the act.

The act mandates the registration of gig workers and aggregators under section 10 and section 11 of the act.

Section 12 obliges the aggregator and workers to make a fair and transparent contract. The provisions of the contract must include fair terms of piece-rate and time-rate norms including payments, deductions, incentives and calculations of work done and an explicit provision of right to refusal of task offered. The contract according to section 14 of the act shall contain the list of grounds for termination of contract and deactivation of gig worker from the platform.

The act provides for the establishment of social security and welfare fund by the state government under section 19 of the act.

Section 23 provides for interest and penalties on the aggregators and platforms in the event of failure to comply with the provisions of the act.

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1 Press Information Bureau, 'Code on Wages, 2019: Safeguards Workers, Induces Growth, Empowers Women & Enhances Employment' (Government of India, 23 November 2025) accessed 21 October 2026.

2 Government of Rajasthan. (2023). The Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023 (Act No. 29 of 2023).

3 Government of Karnataka. (2025). The Karnataka Platform Based Gig Workers (Social Security and Welfare) Act, 2025 (Karnataka Act No. 72 of 2025).

Challenges Faced by Gig Workers

- **Instasble Income Structure**

Gig workers do not fall into the category of employee or organised worker and as a result they lack protection under the existing policies. Gig workers especially those working as platform workers face more challenges as there is no fixed salary, they earn on per-delivery or per-task basis so their earnings are unstable, therefore the first challenge is income instability .

- **Health Problems**

To earn more money, they work overtime approx 12-14 hours a day which is more then time fixed by the labour laws in India. Due to longer working hours they suffer both physical as well as mental health issues. Lack of sleep and physical fatigue effect their health. According to the nationwide survey titled 'Occupational safety and health of platform based gig workers in India, around 65% of workers reported fatigue and sleep problems, 47.42% workers reporting musculoskeletal pain, likely linked to prolonged riding, sitting or carrying loads; 41.08% reporting stress and anxiety; 30% eye strain; and 26.45% reporting respiratory issues therefore the second challenge is health problems. Due to their health issues they may need to purchase medicines which also causes loss of money.

- **The Implementation Gap**

The existing laws are sufficient enough to protect workers but the government has failed to implement them properly. Lack of the regulatory framework and failure in implementation is another challenge. The government has enacted four new labour laws to provide social security benefits to the workers in unorganised sector including gig workers but, the main problem is the implementation. **"Ubi jus ibiremedium"** means where there is a right, there is a remedy. The principle dictates that a legal right cannot exist in a vacuum so it is a failure on the part of government to uphold this principle.

- **Exploitation by Aggregators/ Companies**

Aggregators takes advantage of the loopholes and exploit the rights of gig workers. Recently in on 31 December 2025, the gig workers called for nationwide strike over safety and social security. The major concern is fixed payment, less incentives and companies policy on fast delivery or 10 minutes delivery. The platform based delivery gig workers suffered safety risks due to faster delivery. Company take prompt actions on consumer based complaint against the gig workers without the background check of the complaint and due to this rating of that worker falls and it affect the incentives or sometimes blocking of the workers id for few hours or days. Companies don't follow the principle of minimum working hours. when the companies earn profit no additional credit or benefit is given to the gig workers. Although companies refers the gig workers as partners but actually there is no actual partnership.

- **Limited Career Opportunities**

Gig workers are mostly freelancers. Not every type employment need special knowledge or skills for example, if a worker is a delivery partner there is no specific degree or skill required for that work but if a person is a technical expert working as freelancer for an IT firm then he must posses some special degree or skill. So the term gig worker is not just one ambit it includes different types of workers including skilled and unskilled workers. the good part is that even a person has no particular degree he can work as gig worker according to availability of work but the actual challenge lies with the people who are skilled and still don't have career advancement opportunities such as promotions.

A Way Forward

Gig workers is not a new term. It existed before the platform economy however the platform based gig workers are new kind of workers in the economy. Changes in technology, the availability of easy and cheap internet and the impact of COVID in last few year has changed the shopping style of people. Digitization and globalization has made the life easier and the global. Everything that is available in market is also available online, in fact it is easy to get a product online and return it if not required, the negative side is that it has also increased scams and frauds. Many policies and laws around the world covers the rights, protection and social security of labour. International organization like WTO, ILO and UNITED NATIONS are working globally to protect the rights of labour. Indian laws including new labour laws covers every aspect of labour rights in India. The Supreme Court has given landmark judgement on the rights of workers. However the workers still needs adequate protections. Therefore, there is a need to focus on the rights and challenges of gig workers especially platform based gig workers in India and to develop effective legal and regulatory framework.

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