

Labour Welfare and Social Security Concerns of Gig Workers in India

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Abstract: Gig Workers are individuals who take on short-term, flexible jobs often mediated through digital platforms. This type of work includes roles like Drivers for ride-share services like Uber or Lyft, or delivery workers for Zomato or Swiggy, and Gig workers are mainly employed by big corporations like Swiggy, Zomato, Uber, Ola, Rapido, fiverr, upwork inc., lyft, TaskRabbit, Airbnb, toptal, 99designs, amazon flex, crowdspring, doordash, Etsy, Instacart, perpleperhour and more. Gig workers face many difficulties and problem in their life. They earn below minimum wage¹. Gig workers are unaware about schemes that provided by government like Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and etc². “The gig economy accounts to 1.5% of the total working class or the labour class in the country”³. A study says that 7.7 million working people were engaged in the gig economy and is expected to rise to 23.5 million by 2029-2030, generating up to 4% of the country's income. The government of India recently added a separate section in the Code on Social Security (2020) in name called 'gig economy' but the code has still not come into effect⁴. This paper will focus on the existing labour laws and social security frameworks, code on social security 2020 is sufficient for Gig workers, does social security act 2008 support for gig workers and highlighting their inadequacies in protecting gig workers' rights. The Researcher, through this article, tried to identify the problems faced by gig workers in relation to labour welfare in the gig economy. Further the researcher provides appropriate suggestion by recommendation to improve livelihood of Gig workers.

Keywords: Gig workers, Labour welfare, Social security schemes, Platform work, Worker rights

1. Introduction

At first what do you think about gig workers? An individual who works in transitory or brief employment agreements, sometimes as an independent contractor, outside the parameters of conventional employer-employee relationships is referred to as a gig worker. Gig workers may work temporarily for several clients or companies and usually do not have a set income. A wide range of jobs are included by this description, such as couriers for food delivery services, freelance writers, graphic designers, and other service providers who provide their skills on a project-by-project basis. Freelance Writers create blogs, emails, and social media posts for companies Online tutors who share their knowledge by tutoring online, Graphic designer use their graphic design skills for freelance side jobs, Short-term rental hosts generate passive income by hosting short-term rentals on platforms like Airbnb or VRBO, Virtual assistants remotely help businesses with administrative tasks, Pet sitters or dog walkers provide pet services via platforms like Rover or Wag ,Food service and hospitality workers work as caterers, personal chefs, bartenders, food prep workers, hotel concierges, or flight attendants, Musicians perform gigs, or single or short-term engagements at various venues. Gig workers often struggle with unpredictable income and lack of job security. Classification as independent contractors deny gig workers labor law protections. Lack of access to healthcare and mental health support worsens gig workers'

well-being. Insufficient technical support hinders gig workers' ability to resolve platform-related issues.

2. Historical Background

Historians claim that the gig economy existed prior to the 19th century industrial revolution. It was quite common at that time to be involved in multiple jobs in order to secure a steady income. A person sticking to one career their entire life is a new trend. However, the idea of an individual having only one career is undergoing significant transformations due to the internet, technology.

The gig economy has existed for a long time, but a specific term or concept to describe these types of jobs was not introduced until recently. Early gig work included courier services, truck and taxi drivers, nannies, caretakers, and personal grocery shoppers.

The start of the 20th century saw a significant economic downturn leading to high levels of unemployment, pushing individuals to take on multiple jobs to survive. The farmers were significantly impacted by the great depression and famine, leading them to sell their land and become migrant workers, taking on various short-term jobs on different farms to survive. This is the first documented gig work. During World War II, companies facing a shortage of workers hired

¹ *The Code on Wages, 2019*, No. 29 of 2019, Acts of Parliament, 2019 (India), available at https://labour.gov.in/sites/default/files/Wages_Code_Gazette.pdf

² Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM), *Ministry of Labour and Employment*, available at <https://labour.gov.in/pm-sym> ; see also *MyGov Schemes Portal*, <https://www.mygov.in>.

³ *India's Booming Gig and Platform Economy*, NITI Aayog (June 2022), available at https://www.niti.gov.in/sites/default/files/2022-06/Report_Gig_Economy_28_6_22.pdf

⁴ *The Code on Social Security, 2020*, No. 36 of 2020, ch. IX, §§ 112–114 (India), available at https://labour.gov.in/sites/default/files/SS_Code_Gazette.pdf

temporary employees to help complete a large number of tasks.

In 1995, Craigslist was established in the USA as a website for job seeking, followed by Elance (now Upwork) in 1999, which aided freelancers in finding remote work and connecting with clients online. In recent years, new job platforms and crowdsourcing marketplaces such as Airbnb, Amazon's Mechanical Turk (Mturk), Uber, and Lyft have emerged, signalling a new era in the digital marketplace.

3. Current Scenario

The gig economy, which is defined by temporary, flexible work that is frequently arranged through online marketplaces like Fiverr, Uber, and Airbnb, signifies a substantial change in the labour market. Compared to traditional work, where people usually have long-term contracts with fixed salary and benefits, this paradigm stands in stark contrast. Workers in the gig economy also known as independent contractors or freelancers have the flexibility to choose the projects they work on and the hours they work, which appeals to a variety of groups, such as parents, students, and people looking for extra money.

However, there are also significant drawbacks to this freedom. Due to the variable nature of service demand, gig workers frequently experience both job insecurity and income unpredictability. Furthermore, they typically don't have access to basic amenities like health insurance. This model contrasts sharply with traditional employment, where individuals typically hold long-term positions with set salaries and benefits. In the gig economy, workers—commonly referred to as freelancers or independent contractors—enjoy the freedom to select their projects and set their schedules, making it an appealing option for various demographics, including students, parents, and those seeking additional income. However, this flexibility comes with notable challenges. Gig workers often face job insecurity and income variability, as their earnings are contingent upon the demand for services, which can fluctuate widely.

Additionally, they frequently lack essential benefits such as health insurance, retirement plans, and paid leave, making financial planning more complex. The classification of gig workers as independent contractors rather than employees raises important legal questions regarding their rights and protections under labour laws, leading to ongoing debates about the need for regulatory reforms. Moreover, gig work can be socially isolating, depriving workers of the interactions and support systems typically found in traditional workplaces. The rapid growth of the gig economy has not only disrupted conventional industries but has also prompted discussions about the future of work, as businesses adapt to this new model of service delivery.

Looking ahead, trends may include increased regulatory scrutiny aimed at enhancing worker protections, the continued integration of technology to create new gig

opportunities, and the rise of worker collectives advocating for better pay and working conditions. Ultimately, while the gig economy offers substantial opportunities for independence and flexibility, it also presents significant challenges that require careful consideration from workers, employers, and policymakers to ensure a balanced approach that safeguards worker rights while fostering innovation and economic growth.

4. Key Issues

As We previously indicated, gig workers are only granted rights under The Code on Social Security 2020; hence, they are still not eligible for essential benefits. The first main issue is lack of specific legislation for gig workers and their protection, because there is no any legal provision for gig workers. And second main issue is the overlap and lack of coordination in the present labour laws that deal with gig workers.

The protection provided by other laws, such as those pertaining to minimum wage rates, overtime compensation, workplace health and safety benefits, and so on. However, these programs fail to establish officially recognized unions, which prevents them from gaining access to a national a minimal wage that is applicable to all jobs. "Even the proposed law does not guarantee minimum wages for gig workers⁵". Gig workers face a multitude of challenges that can significantly impact their livelihoods and overall well-being. One of the most pressing issues is income instability. Many gig workers experience fluctuating earnings, making it difficult to budget and plan for expenses. This unpredictability can lead to financial stress, as workers often have to navigate periods of low demand that leave them struggling to make ends meet.

Another major concern is the lack of benefits typically associated with traditional employment. Most gig workers do not have access to health insurance, retirement plans, or *The Code on Wages, 2019*, No. 29 of 2019, PRS Legislative Research Summary, available at <https://prsindia.org/billtrack/the-code-on-wages-2019.leave>.

This absence of support can put them in precarious situations, particularly when facing health issues or needing time off. Without safety nets like sick leave or maternity leave, gig workers often find themselves in a tough position when personal circumstances arise. Job security is also a significant problem for gig workers. The gig economy is highly competitive, and many workers live in fear of being easily replaced. Platforms can change their terms or cut off access to work without warning, leaving workers without recourse. This instability is exacerbated by the classification of gig workers as independent contractors, which often denies them the legal protections afforded to traditional employees, such as minimum wage guarantees and workers' compensation. Moreover, reliance on digital platforms introduces additional complexities.

⁵ *The Code on Wages, 2019*, No. 29 of 2019, PSRS Legislative Research Summary, available at <https://prsindia.org/billtrack/the-code-on-wages-2019>.

Gig workers are subject to algorithms that control job availability and pay rates, often without transparency⁶. Rating systems can further impact their livelihoods; negative reviews can severely limit future job opportunities, creating a constant pressure to maintain high customer satisfaction. Isolation is another challenge, as many gig workers operate independently, leading to feelings of loneliness and a lack of community. Without a traditional workplace, opportunities for networking and professional growth can be scarce, making it difficult for workers to build connections that could lead to better opportunities. The work-life balance can also suffer, as the flexibility that gig work offers can blur the lines between personal and professional time. Workers may find themselves compelled to work longer hours to secure enough income, leading to burnout.

Additionally, Gig worker often fetches multiple jobs, which can lead to struggling to define their career. Many gig workers struggle with financial management; they must handle their own taxes and track business expenses, which can be overwhelming without proper resources or knowledge. Finally, safety concerns are prevalent, especially for those in jobs involving transportation or delivery. Physical risks, such as accidents or confrontations with customers, can pose serious threats to their well-being. Moreover, sharing personal information on platforms can expose gig workers to cybersecurity risks, further complicating their already challenging work environment. While gig work offers flexibility and autonomy, it also brings forth a range of challenges that can hinder financial stability, security, and overall quality of life. Addressing these issues is essential for creating a more equitable and sustainable gig economy.

5. Government or Policy Response

In 2019, the government of India released 4 new labour codes to consolidate 29 central laws

1) The Code on Wages, 2019

The Code on Wage integrates multiple existing statutes, such as the Minimum Wages Act of 1948, The Payment of Wages Act of 1936, and The Equal Remuneration Act of 1976. It establishes minimum wage requirements across various sectors, aiming to guarantee that all employees receive equitable compensation for their labour. The code mandates equal remuneration for equal work, ensuring that both men and women are compensated equally for performing similar duties. It simplifies compliance related to wages by providing a standardized definition and framework applicable across different sectors.

2) The Industrial Relations Code, 2020

The Industrial Relations Code supersedes the Trade Unions Act of 1926 and The Industrial Disputes Act of 1947, with the objective of promoting harmonious industrial relations. It supports collective bargaining by acknowledging trade unions and outlining explicit procedures for negotiations and

conflict resolution. The code stipulates regulations concerning strikes and lockouts, mandating advance notice and imposing penalties for unauthorized strikes. It optimizes the mechanisms for dispute resolution and the establishment of industrial tribunals, thereby improving the effectiveness of the judicial system in labour-related issues.

3) The Code on Social Security, 2020

The Code on Social Security broadens the scope of social security benefits to encompass both organized and unorganized sectors, thereby enhancing the safety net for diverse worker categories including gig workers. It encompasses provisions for maternity leave, provident fund contributions, employee insurance, and various other social security initiatives. It mandates that businesses register their employees for social security benefits, thereby streamlining the compliance process. The code empowers the government to formulate new social security schemes as necessary, ensuring responsiveness to evolving workforce conditions.

4) The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code aims to enhance the safety and health standards in workplaces, ensuring that all employees work in environments that are safe and conducive to their well-being. It establishes comprehensive guidelines for occupational safety, health regulations, and working conditions, thereby promoting a culture of safety and health awareness among employers and employees alike.

Objective of the Study:

The goal of the current study is to improve the welfare of gig workers

- 1) To examine the problems faced by Gig Workers.
- 2) To assess the requirements of Gig Workers.
- 3) To evaluate the legal provisions in the Indian Labour Law with respect to protection of Gig Workers.
- 4) To evaluate the Social Security Code's application to gig workers.

6. Conceptual Framework

Section 2(35) of 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 a system which is characterised by a non-traditional employer-employee relationship⁷. Moving forward from the legal jargon, a gig worker is simply an individual who performs temporary or short-term contractual work, earning independently from such work. The definition includes a variety of roles including cab drivers, freelancers, and designers who offer services catered to their expertise on a project basis⁸.

The concept of gig workers includes all workers who work on a contract basis based on the availability of work and the requirements of the employers. As was previously indicated,

⁶ R. Chandrasekhar, *How Platforms Manage Gig Workers*, The Hindu Business Line (Aug. 20, 2022), available at <https://www.thehindubusinessline.com/data-stories/data-focus/how-platforms-manage-gig-workers/article65786762.ece>.

⁷ Code on Social Security (2020)

⁸ Kumar, N. (2024) *Regulatory Framework and the Protection of Basic Rights of Gig Workers*, Bar and Bench. Available at: <https://www.barandbench.com/law-firms/view-point/regulatory-framework-and-the-protection-of-basic-rights-of-gig-workers>

these workers were only partially recognized by the CLRA, UWSSA, and BOCWA, among other earlier pieces of law.

The new Labor Code consists of four separate codes and these are to be studied thoroughly in order to gain an understanding regarding the rights of workers in India. The codes are the Code on Social Security, 2020, The Industrial Relations Code, 2020, The Code on Wages, 2019, and the Occupational Health, Safety, and Working Conditions Code, 2020. Gig workers, being a relatively new term, has gained much greater legal traction only in the labour codes introduced in 2020. Despite being included in the codes, there exists an array of avenues where gig workers are not offered guaranteed rights that are often considered to be of utmost importance among the nation's remaining labour force.

When discussing the legal framework for gig workers, there are two main concerns. The first is the absence of laws specifically protecting gig workers. This absence of legislation that specifically caters to the shortcomings faced by these workers not only would have protected the workers from exploitation by employers but would make them aware of the rights and benefits that they are free to avail.

The second issue is the overlap and lack of coordination in the present labour laws that deal with gig workers. Chapter IX of the Code on Social Security, 2020⁹ is dedicated entirely to the unorganized worker's economy within the chapter. Only sections 112, 113, and 114 contain provisions regarding gig workers and platform workers.

Section 112 allows government organizations to set up helplines or facilitation centres for such workers and also specifies what functions such centres are supposed to carry out¹⁰.

Section 113 mandates that all workers working in the unorganized sector be registered as such with the central government and are also provided with certain prerequisite conditions. It further says that the registration is what will make the worker eligible for benefits that any scheme offers¹¹.

Section 114 makes a provision for the Central Government enabling them to make social security schemes for gig and platform workers in matters such as life and disability cover, accident insurance, health and maternity benefits, old age protection, crèche, and any matter the government determines. This creation of social security schemes is not a mandate and the same can be funded by the central government, state government, corporations, the workers, or a combination of two or more of the parties¹².

Sexual Harassment and safety are yet another concern that is still left unanswered for gig workers and platform workers. Even though the POSH Act¹³ provides a comprehensive answer to what all fall under the umbrella term "workplace,"

it still remains ambiguous whether the definition is applicable to the digital workspace that is used by platform workers.¹⁴

7. Solutions and Recommendations

India, which is ranked fifth globally, is one of the best destinations for gig workers. Nearly 40% of all freelancers worldwide are Indian, with over 15 million qualified people working as independent contractors. Experts predict that the Indian gig economy will be worth close to \$455 billion by the end of 2024. However, despite the fact that the gig economy in India is flourishing, the workers who are employed in it endure the worst working conditions possible, with almost no benefits or legal protection. They endure appalling working conditions, low pays, and negligible social benefits.

It is clear that despite recent legal attempts in India to address some of the problems gig workers face, there are still significant gaps in guaranteeing their protection and equitable treatment. Due to its dependence on short-term, flexible, and frequently unstable work arrangements, the gig economy has particular difficulties that conventional labour regulations have found difficult to adequately handle. India's labour laws were updated and consolidated with the adoption of the four new labour codes in 2019 and 2020. In particular, gig and platform workers are recognized by the 2020 Code on Social Security, which grants them access to some social security benefits. But as was already mentioned, there are still large gaps.

Legislation that is specifically tailored to the requirements and challenges of gig workers is urgently needed. This includes a complete statute. Clarifying the rights of gig workers, the obligations of platform businesses, and the existence of improved and exclusive dispute resolution procedures are all made possible by such legislation.

The second is that social security coverage needs to be improved. A set of programs that acknowledge the financial difficulties faced by these workers are required. According to current social security plans, employees must contribute between two and five percent of their yearly salary to their social security fund. Governments must implement subsidies and other incentives that are essential to making the programs financially feasible for gig workers.

1) Codified Legislation Tailored for Gig Workers

India urgently needs a robust and comprehensive law which is exclusively designed to address the prevailing legal vacuum that is surrounding gig and platform-based labour. The recognition provided under the Code on Social Security, 2020, while progressive, is largely very symbolic without enforceable guarantees. A standalone "Gig Workers' Welfare and Protection Act" must clearly define rights, outline the responsibilities of digital platforms, and ensure gig workers are brought under the protective umbrella of labour law-

⁹ Code on Social Security (2020) Chapter IX

¹⁰ Code on Social Security 2020, S 112

¹¹ Code on Social Security 2020, S 113

¹² Code on Social Security 2020, S 114

¹³ Protection of Women from Sexual Harassment Act (2013)

¹⁴ *he PoSH Act, and the procedure for complaint against sexual harassment at the workplace* (2023) *Indian Express*. Available at: <https://indianexpress.com/article/explained/explained-law/posh-act-sexualharassment-workplace-8591018/>

offering exhaustive entitlements like minimum wages, protection against arbitrary termination, and access to formal dispute resolution mechanisms.

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3) Streamlined Social Security Mechanisms with Financial Incentives

While social security schemes prevail, they are pretty much inaccessible to the majority gig workers due to an existing lack of awareness and the burdensome cost of contribution. There is an urgent need to introduce contributory frameworks that are flexible and affordable. The government should strive to introduce partial or full contribution subsidies—especially for low-income gig workers— and allow for a tri-party contribution model (worker, platform, government). Mandatory digital registration on a centralized social security portal, with Aadhaar integration, will ensure the core of transparency and trackability of benefits such as health insurance, pension funds, disability cover, and maternity benefits.

4) Platform Regulation and Algorithmic Transparency

Gig workers' livelihoods are very much governed by opaque algorithms that determine job allocations, ratings, and remuneration. These digital tools must be subjected to regulatory oversight. Platforms should be required to publicly disclose the logic and the core of their algorithms and ensure they do not result in arbitrary penalization or in bias. Government-appointed algorithmic audit bodies should be established and must be tasked to evaluate fairness and compliance, thereby restoring trust and balance in the platform-worker relationship.

5) Extension of Legal Protections in Digital Workspaces

Sexual harassment laws such as the POSH Act, 2013 must be revised and amend to explicitly include gig workers operating in digital or location-independent workspaces. Additionally, these workers should be given access to existing labour tribunals or empowered local committees for harassment complaints, even in cases where there is no fixed employer.

Similarly, workplace safety norms must be incorporated to include transport and delivery-based gig work, ensuring provisions for accident insurance and emergency response systems

6) Awareness, Legal Literacy, and Capacity Building

One of the most overlooked yet essential needs of gig workers is the very right to access of information. The majority remain unaware of their legal rights or government schemes like PM-

SYM, PMSBY, or PMJJBY. The state, must collaborate with the prevailing trade unions and civil societies and must strive to launch a nationwide legal literacy drives by incorporating vernacular languages, mobile outreach vans, and digital platforms.

In parallel, training in financial management, taxation, and self-regulation would empower workers to better navigate the complexities of the gig economy.

7) Portable, Inter-Platform Benefits and Job Security Provisions

Given the transient and existing cross-platform nature of gig work, the benefits must be portable. Social protections such as maternity leave, pension entitlements, and accident coverage should follow the worker—not the platform. This will allow individuals to shift between platforms without losing accumulated benefits. Additionally, platforms must be required to give advance notice before delisting or suspending a worker’s profile and provide written justification for such actions, preventing arbitrary digital termination.

8) Inclusion in Data Protection and Cybersecurity Frameworks

As gig workers often share personal and financial data on online platforms, they must be protected under the Digital Personal Data Protection Act, 2023. Specific guidelines for data collection, usage, consent, and redress must be issued for gig platforms. Cybersecurity training and data literacy should also be provided to gig workers, many of whom are vulnerable to fraud and data misuse.

8. Conclusion

The Gig economy is no longer an existing peripheral labor phenomenon - it is the definition of the future modern work. With millions of Indians turning to platforms for seeking a better livelihood, it is evidently imperative that the laws evolve not only with the mere intention to regulate but to uplift it. While the Code on Social Security, 2020, was a notable landmark effort in acknowledging gig and platform workers, its implementation is yet to translate and transcend into measurable impact. What India faces today is not mere a lack of legal tools, but the absence of a coordinated, inclusive, and empathetic approach that centers the worker's well-being in policy discourse.

True progress lies in recognizing that flexibility and freedom—the very traits that define gig work— must not come at the cost of basic rights, stability, and safety. A thriving digital economy cannot rest on precarious labour. It must be built on the very foundation of fair contracts, predictable incomes, legal protections, and a social security net that doesn’t dissolve in times of crisis. The time is ripe to reimagine the gig economy as a just economy— one where innovation and equity coexist. Ensuring legal recognition, institutional support, and societal respect for gig workers is not just a policy imperative— it is a reflection of our constitutional commitment to dignity of labor and social justice. As we advance deeper into the digital age, let our laws not trail behind but lead the way— by making every worker, digital or otherwise, a rightful stakeholder in India’s growth story.