

# Digital Labour Justice in India: Emerging Rights, Regulatory Reforms, and Contemporary Challenges in Platform-Based Employment

Savita Bhimanagouda Patil

Visiting Professor, LAW, Suresh Gyan Vihar University

## Abstract

The digital platform economy has fundamentally altered labour relations in India by technology-mediated work arrangements, introduction of flexibility that challenges conventional employment structures. While platform-based employment has created significant opportunities for income generation, it has simultaneously exposed workers to legal ambiguity, social insecurity, algorithmic control and economic precarity. Gig workers engaged in different sphere - logistics, transportation, food delivery, household services, stationary, daily usage and digital freelancing often remain outside the protective framework of traditional labour law. This article critically examines the legal architecture governing platform-based labour in India from 2024 to 2026, with particular attention to recent central labour code implementation, emerging state-level welfare statutes, judicial interventions and policy developments concerning algorithmic accountability and more on social security contributions. Drawing upon statutory analysis, comparative jurisprudence, constitutional principles and contemporary case developments, the article argues for a rights-based legal framework capable of reconciling technological innovation with labour justice. It further proposes practical need for the reforms concerning on worker's classification, social security portability, algorithmic transparency, occupational measures and institutional enforcement. The article concludes that sustainable digital economic growth depends upon embedding substantive labour protection laws into India's evolving platform economy.

**Keywords:** Platform Labour, Gig Workers, Labour Codes, Social Security, Algorithmic Governance, Worker Classification, Digital Employment Regulation

## 1. Introduction

The digital transformation of labour markets has fundamentally altered employment relations across India, giving rise to app-based and platform-mediated work arrangements. While the gig economy has expanded income opportunities and promoted flexibility, it has simultaneously exposed workers to significant legal and economic vulnerabilities. Platform workers often operate without formal employment recognition, leaving them outside traditional labour protections such as minimum wages, social security, occupational safety, and collective bargaining rights. This article critically examines India's evolving legal framework governing platform labour, analyses the structural challenges faced by gig workers, and evaluates recent statutory and judicial developments. It argues for a rights-oriented

regulatory framework that balances technological innovation with social justice and ensures dignity, security, and equitable protection for India's growing digital workforce. The article further explores the challenges of algorithmic management, worker misclassification, income insecurity, and exclusion from welfare benefits. Drawing from comparative international developments and constitutional principles, it highlights the urgent need for comprehensive legal reforms capable of redefining labour protection in a rapidly digitising economy. It emphasizes that sustainable economic growth requires labour regulation that safeguards fairness, accountability, and social inclusion.

## 2. The Rise of Platform Labour in India: A New Labour Paradigm

The twenty-first century has witnessed a profound restructuring of labour relations driven by digital technology, artificial intelligence, algorithmic management, and platform capitalism. India's rapid digital transformation has accelerated the growth of platform-mediated employment, positioning the country as one of the largest gig economies globally. App-based ride-sharing, food delivery, hyper-local logistics, freelance digital work, household services, and on-demand professional tasks have become integral to urban and semi-urban economic activity. These forms of employment promise flexibility, accessibility, and entrepreneurial autonomy, particularly for workers excluded from formal labour markets due to educational, geographic, or economic barriers.

However, the platform economy presents a paradox. It simultaneously offers opportunity and produces precarity. The flexibility associated with gig work frequently masks structural asymmetries in bargaining power, income instability, algorithmic control, and exclusion from labour protections. Workers are often described as "independent contractors," "partners," or "service providers," thereby enabling platforms to avoid obligations historically associated with employer status.

This legal ambiguity has created a new labour category commonly associated with the concept of the precariat. As articulated by *The Precariat: The New Dangerous Class*, precarious workers are characterized by occupational instability, fragmented labour identities, uncertain income, and exclusion from social citizenship rights. Gig workers in India increasingly embody these characteristics.

Illustration: A food delivery rider working twelve hours daily for a digital platform bears the cost of fuel, maintenance, smartphone access, and accident risk while remaining ineligible for provident fund, paid leave, or gratuity despite substantial economic dependence on the platform.

## 3. Understanding Gig Work and Platform-Based Employment

A gig economy refers to a labour market structured around short-term, task-based, temporary, or project-oriented work arrangements rather than long-term formal employment contracts. In the Indian context, gig work extends beyond supplemental freelancing and often constitutes primary livelihood employment.

Platform work may be broadly categorized into:

**A. Location-Based Platform Work:** These involve physical task execution coordinated through digital applications. Illustrations:

- Food delivery through Zomato
- Ride-hailing via Uber
- Hyperlocal logistics via Swiggy

**B. Web-Based Platform Work:** These involve digitally delivered services. Illustrations:

- Graphic design
- Data annotation
- Online tutoring
- Freelance legal drafting

Unlike traditional employment, these arrangements are governed by algorithmic systems rather than direct managerial supervision.

## 4. Structural Challenges Confronting Platform Workers

**A. Income Volatility and Economic Uncertainty:** Gig workers lack fixed monthly earnings. Compensation fluctuates depending on algorithmic incentives, consumer demand, cancellation rates, dynamic pricing, and ratings. Illustration - During low-demand periods, delivery workers may remain logged into applications for several hours without receiving assignments, effectively rendering labour time unpaid.

Recent empirical studies indicate that workers frequently extend working hours to offset declining incentive structures. This contributes to exhaustion without guaranteeing income security.

**B. Occupational Hazards:** Delivery personnel and ride-share drivers face - road accidents, adverse weather exposure, urban violence, fatigue-related injuries, mental stress etc.

The pressure of “rapid delivery guarantees” intensifies risk. Illustration: Delivery workers attempting to meet 10-minute delivery deadlines frequently engage in unsafe driving practices.

**C. Algorithmic Control without Transparency:** Platform governance increasingly relies on automated systems that determine task allocation, route optimization, surge pricing, customer matching, ratings evaluation and account deactivation.

Workers often receive no explanation for compensation changes or suspension decisions. Illustration: A ride-hailing driver deactivated due to a low customer rating may have no meaningful avenue for appeal. This raises concerns regarding procedural fairness under constitutional due process principles.

**D. Social Security Exclusion:** Despite dependence upon platform income, workers often lack - health insurance, disability compensation, maternity protection, paid leave, retirement benefits. This exclusion becomes particularly severe during illness or injury.

**E. Gender-Based Vulnerabilities:** Women platform workers experience - safety risks, lower task allocation rates, harassment, rating bias, maternity exclusion etc. The absence of tailored legal safeguards compounds structural inequality.

## 5. India's Contemporary Legal Framework from 2024–2026

**A. Code on Wages, 2019:** The Code on Wages, 2019 establishes minimum wage standards but does not explicitly guarantee platform workers wage floor protection due to classification ambiguity. Challenge: Gig workers remain excluded unless recognised as employees or brought within specific rules.

**B. Occupational Safety, Health and Working Conditions Code, 2020:** The Occupational Safety, Health and Working Conditions Code, 2020 imposes safety obligations but does not expressly extend comprehensive occupational protection to digital platform labour.

**C. Code on Social Security, 2020:** The Code on Social Security, 2020 remains the principal central legislation recognizing gig workers.

Section 2(35) defines gig workers as persons participating in non-traditional work arrangements. Sections 109–114 provide for - registration requirements, welfare fund creation, aggregator contributions and social security schemes

**Recent Developments Implementation 2026** - Recent notified rules mandate to registration of gig workers within 45 days by aggregators, 12% annual interest on contribution default, eligibility thresholds linked to annual work duration and mandatory social security contributions. To illustrate it - a delivery platform failing to register workers may now attract statutory prescribed penalties.

**D. Industrial Relations Code, 2020:** This code does not clearly facilitate collective bargaining rights for platform workers. But were in this creates some significant representational exclusion.

## 6. Landmark State-Level Legislative Innovations: In the year of 2024–2026

### A. Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023

India's first dedicated gig worker welfare statute comes with some highlighting key features - platform registration, welfare fund, worker grievance redressal and welfare board

**B. Karnataka Platform - Based Gig Workers (Social Security and Welfare) Act, 2025** This landmark enactment introduced with norms like - algorithmic transparency obligations, automated decision review rights, worker grievance tribunals, welfare cess on digital transactions, occupational

safety protections to quote an example - workers may challenge automated account suspension before designated authorities.

**C. Emerging State-Level Expansion:** In recent developments indicate legislative movement in states like Gujarat welfare board proposals, Maharashtra draft protection discussions, Parliamentary recommendations for stronger registration enforcement

## 7. Judicial Developments and Emerging Case Law

**A. Uber BV vs. Aslam:** The UK Supreme Court held drivers to be workers entitled to statutory protections. The Court prioritized economic dependency over contractual wording.

**B. Problems and Miseries of Migrant Labourers, In re:** The Supreme Court emphasized state responsibility toward unorganized and platform workers during crisis conditions.

**C. Federation of App-Based Transport Workers (IFAT) Petition:** This litigation sought- recognition as unorganized workers, universal social security inclusion

**D. All India Gig Workers Union vs. Uber India Systems Pvt. Ltd.:** This case highlights emerging Indian judicial engagement with - fair compensation, social security obligations and misclassification

**8. Constitutional Dimensions** - The Constitution of India provides a normative foundation for platform labour rights under article 14 - against arbitrary algorithmic decision-making on equality covering all around protection. Article 21 - right to livelihood, dignity, and fair procedure, article 23 - protection against exploitative labour practices and article 39- directive obligation to secure humane working conditions. **To** illustration - opaque automated account deactivation affecting livelihood may implicate article 21 protections.

## 9. Contemporary Regulatory Gaps

**A. Lack of Dedicated National Gig Worker Legislation** - Current protections remain fragmented.

**B. Inadequate Algorithmic Accountability** - No comprehensive law mandates the explainability, auditability and human review

**C. Limited Portability of Social Security Benefits** - Workers engaging multiple platforms face implementation complexity

**D. Weak Enforcement Architecture** - Administrative institutions remain underdeveloped.

## 10. Reform Proposals

**A. Statutory Presumption of Employment** - Workers should be presumed employees unless genuine independence is demonstrated.

**B. Dedicated Digital Labour Rights Act** - A central statute should govern the worker classification, social security, safety obligations, algorithmic fairness and data rights

**C. Algorithmic Accountability Regulation** - Mandatory disclosures regarding the task allocation criteria, compensation computation **and** suspension triggers

**D. Universal Portable Social Security** - Benefits should remain worker-linked rather than platform-linked.

**E. Specialized Gig Labour Tribunal** - Fast-track digital labour dispute resolution mechanisms are necessary.

**11. Conclusion** - India's platform economy represents one of the defining labour transformations of the digital age. It offers immense economic opportunity but also exposes workers to unprecedented vulnerability. Recent legal developments between 2024 and 2026 reflect important progress, particularly through implementation of social security rules and state-level welfare legislation. Yet structural deficiencies persist.

The future of India's digital economy depends not merely upon technological innovation but upon legal imagination. Labour law must evolve beyond outdated binaries and respond to algorithmically mediated forms of economic dependency. Protecting gig workers is not contrary to innovation; it is essential for ensuring that digital progress remains constitutionally grounded, socially legitimate, and economically sustainable.

A rights-based regulatory framework rooted in dignity, fairness, transparency, and accountability offers the most viable path forward.

## References

1. Guy Standing, *The Precariat: The New Dangerous Class* (Bloomsbury Academic 2011).
2. Jeremias Prassl, *Humans as a Service: The Promise and Perils of Work in the Gig Economy* (Oxford University Press 2018).
3. Valerio De Stefano, The Rise of the "Just-in-Time Workforce": On-Demand Work, Crowdfork and Labour Protection in the "Gig-Economy," 37 *Comp. Lab. L. & Pol'y J.* 471 (2016).
4. Prabha Kotiswaran, The Future of Work and the Law: Regulating Platform Labour in India, 42 *Comp. Lab. L. & Pol'y J.* 1 (2021).
5. Code on Social Security, 2020, No. 36, Acts of Parliament, 2020 (India).
6. Code on Wages, 2019, No. 29, Acts of Parliament, 2019 (India).
7. Occupational Safety, Health and Working Conditions Code, 2020, No. 37, Acts of Parliament, 2020 (India).
8. Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023, No. 14 of 2023, Rajasthan Gazette (India).
9. Karnataka Platform-Based Gig Workers (Social Security and Welfare) Act, 2025 (India).
10. *Uber BV v. Aslam*, [2021] UKSC 5, [2021] ICR 657 (UK).
11. *Maneka Gandhi v. Union of India*, (1978) 1 SCC 248 (India).

12. People's Union for Democratic Rights v. Union of India, (1982) 3 SCC 235 (India).
13. In Re: Problems and Miseries of Migrant Labourers, 2021 SCC OnLine SC 398 (India).
14. *All India Gig Workers Union v. Uber India Systems Pvt. Ltd.*, Writ Petition (Civil) (pending 2023) (India).
15. NITI Aayog, *India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work* (2022).
16. Ministry of Labour and Employment, Notification on Gig Worker Registration Rules, Gazette of India (2026)