Compliance to Labour Laws in India on Gig Economy and Online Workplace

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Abstract
This research is based on how, over the course of the last couple of decades, with the spread of technology and the internet, increased urbanization, and most recently, the Covid-19 epidemic, the discussion on "the future of work" has taken place. Since non-traditional work modes are the "future of work," we need to think about establishing legislative frameworks on this topic on a global scale. In this study work, certain important definitional and conceptual concerns emerging under the Labour Codes in relation to Work from Home are explored. These topics have been presented by gaining an understanding of the worldwide practices that are linked with working from home, one may be better able to judge the challenges that a future legislative framework in India may need to contend with. As a direct result of this, research talks about the ideas of "teleworking" and "flexible working arrangements." India's Rules Concerning the gig economy have also been explored in this article, along with the incorporation of norms with respect to employees in the unorganized sector and social security for gig workers. The question of who is a 'gig worker' and what is 'platform worker' has been discussed with respect to the new code of wages and how the problem of definition continues to be an issue. As a last point of discussion on the fact that the code does not extend all the advantages of an employee to gig workers, such as gratuity and employee provident fund, the state-specific laws and welfare programs that were formerly established are now being discussed.

Keywords: Platform, Gig, Labor, Employment, Employees, Code, Regulate, Government, Economy

Research methodology
A mixture of qualitative and legal research is to be used in the study approach presented. The research focuses on how well the Indian government enforces labour laws in the context of the modern digital workplace. Qualitative information is obtained from secondary sources such reports, policies, legal journals, and internet legal blogs in the present research. The process of collecting data includes researching and analyzing relevant legal legislation, which pertains to the online workplace and the gig economy. Because of the subjective nature of the study, the results may be influenced by the researcher's preconceptions and preferences. Nevertheless, the data is analyzed thoroughly, and the findings are validated through review by other researchers, to guarantee the information presented is accurate. The paper employs a subjective research technique to answer the topics at hand and achieve its overall objective of illuminating the legal consequences of online workplaces and the gig economy in India. The study's findings can shed light on how gig workers and platform workers are being protected and their laws getting evolved considering the new bill of code on social security and the implications of factors...
like the expansion of technology and the internet, the growth of urban areas, and the recent Covid-19 epidemic.

Introduction

Technological innovation and the development of the internet have resulted in a new era of work practices in India during the past few decades. Short-term contracts or freelance work, together known as the "gig economy," have become more common in the Indian labour market in recent years. However, the rise of the gig economy has also prompted worries about the safety and security of gig workers. Many people who work in the gig economy are misclassified as independent contractors rather than employees, meaning they do not get employee benefits like health insurance, vacation pay, or the federal minimum wage. To ensure that gig workers have access to healthcare, disability insurance, and retirement benefits, the government enacted the Code on Social Security in 2020. In India, for instance, the Minimum wages Act, which establishes minimum salaries for workers in specific businesses, does not apply to independent contractors. This implies that gig workers may not be protected by minimum wage laws and could be paid less than they deserve. Similar to employees, independent contractors in India are not eligible for paid holidays, sick days, or maternity leave. Without insurance, it may be difficult for gig workers to make ends meet in the event of an accident, sickness, or other crisis. There is presently no statutory definition of "platform workers" or "gig workers." Consequently, many gig workers are not considered employees but rather independent contractors or self-employed individuals of the platforms they use. As a result, they are denied access to a wide range of employee benefits and safeguards guaranteed by Indian law. In addition, the Industrial Disputes Act, the Trade Unions Act, and other similar pieces of legislation in India do not apply to independent contractors. Employees may create and join unions to advocate for improved working conditions and pay thanks to these rules protecting them from exploitation. Gig workers in India are vulnerable to abuse and bad working conditions since they have little legal safeguards. Gig workers are known for putting in long hours for little compensation and no benefits. This might put individuals in a vulnerable position financially and socially. As was previously indicated, the Indian government is attempting to solve these issues by extending social security benefits to gig workers.

In addition, the government has established the Gig Workers' Welfare Fund to provide welfare and financial support to the gig economy's workforce. Gig workers in India have little legal safeguards, which is a cause for worry. For instance, in India, gig workers are not protected by the law since they are not considered employees. As a result, gig workers now have no recourse if they are fired without reason. As a result of the pandemic's social isolation measures and economic slump, many gig workers found themselves unemployed. The government of India has responded by taking steps to protect gig workers from the virus. If you're a gig worker and you've lost money because of the epidemic, the government will help you out.

Emergence of laws for Work from Home and Platform workers

Gig workers in India, especially those in the platform economy, were severely impacted by the Covid-19 outbreak. The Ministry of Labour and Employment released a recommendation to businesses in March

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2020 suggesting that remote work be made available to workers wherever practical\(^2\). The Model Standing Orders for the Services Sector were then published in November 2020, and they contained provisions for remote employment. Provisions for remote work were included in the Occupational Safety, Health, and Working Conditions Code, 2020, which was enacted by the Indian government in September 2020. Employers are obligated under the law to provide remote workers with the same benefits and protections as on-site workers, including a safe and healthy working environment. Important definitional and conceptual difficulties pertaining to remote employees and platform workers have been generated by the recent introduction of labour regulations in India. Here are some of the key concerns:

- **Work from Home:** The labour laws do not define the concept of work from home, which can contribute to ambiguity and confusion in their application. For instance, it is unclear whether working from home constitutes employment or falls under the category of independent contracting. This may have implications for employees' rights and benefits, such as minimum wage, social security benefits, and paid leave. Uncertainty as to whether work-from-home should be regarded as a form of employment or independent contracting is one of the major issues associated with work-from-home. This is significant because the rights and benefits to which employees are entitled vary by employment status. In contrast to employees, independent contractors are not entitled to minimum wage, social security benefits, and paid leave. Without a clear definition of work from home, determining the employment status of workers and the rights and benefits to which they are entitled can be challenging. Another issue associated with working from home is the absence of regulation and supervision. Given that working from home is not a novel concept, it is unclear how labour laws will apply to it. For instance, will employers be required to provide a secure and wholesome work environment for telecommuters? Will they be responsible for providing employees with the necessary tools and supplies to execute their jobs? These are crucial issues that must be addressed to ensure that laborer’s protection and rights are respected\(^3\).

The Ministry of Labour and Employment advised companies in March 2020 to let its platform workers do remote work wherever feasible. The Model Standing Orders for the Services Sector were then published in November 2020, and they contained provisions for remote employment. In 2020, the Indian government passed the Occupational Safety, Health and Working Conditions Code, which allowed for remote employment. In accordance with the regulation, businesses must provide their remote workers the same health and safety safeguards as those who go to an office every day. It may be difficult to identify a platform worker's employment status, as well as the rights and benefits to which they are entitled, since the labour rules do not offer a clear description of platform employees. It's possible, for instance, that some people who work on a platform are independent contractors, while others are employees. This may affect their eligibility for benefits like the minimum wage and social security. It may be difficult to identify a platform worker's employment status, as well as the rights and benefits to

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which they are entitled, since the labour rules do not offer a clear description of platform employees. To serve consumers, "platform workers" use several digital mediums to do their jobs. Depending on the platform and the specifics of the work being done, they may be classified as either independent contractors or employees. Workers' eligibility for social security is a major issue in the platform economy. Many people who work on platforms are not eligible for benefits like health insurance, retirement plans, or unemployment compensation since their job is considered to be that of an independent contractor. This might make budgeting and making long-term plans challenging. The job security of platform personnel is another area of worry. Due to the temporary nature of their employment, they may not enjoy the same benefits as full-time workers. This makes it hard for individuals to save money and provides a potential source of income and job insecurity⁴. Individuals who find gainful employment through online platforms may be impacted by recent changes to the regulations on contract work found in labour laws. The regulations, for example, have introduced the concept of "fixed-term employment," in which businesses may hire individuals for a limited time without providing them with the same benefits and job security as permanent employees. This may affect platform laborer’s who may be hired on a temporary basis and not be entitled to the same rights and benefits as regular employees⁵.

Ride-hailing mobile applications, food delivery services, and online marketplaces are all examples of digital platforms that facilitate transactions between buyers and sellers in what is known as the "Platform Economy." Demand for many gig services plummeted when social isolation measures were put in place and economic activity slowed down because of the epidemic. As an example, the demand for ride-hailing services dropped significantly as individuals remained inside and avoided leaving their homes. Demand for meal delivery services also fell when eateries shut down or decreased hours. This resulted in a loss of income or job security for many people who relied on gig labour. Many people in the gig economy have had trouble making ends meet and providing for their families because they lack a reliable source of income. In addition, many gig workers lacked access to government assistance programs since they were not considered "formal sector employees" and hence were not entitled to the same benefits and protections as those granted to those working in the traditional economy. The insecurities of gig workers in the platform economy were further exposed by this lack of protection. The epidemic also brought to light the dangers posed by gig workers, who often share spaces with people and may not have access to proper sanitation or PPE. Due to a lack of healthcare and sick days, many gig workers were ill-equipped to prevent the spread of the virus⁶.

**Rules Governing the Gig Economy**

Workers in India fall into three basic categories according to the country's labour legislation framework: employees; contractual workers (including contract employment and interstate migrant workers); and

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workers in the informal sector. An "employee" is somebody who receives payment for working in a company. The Minimum Wages Act of 1948, the Employees' Provident Fund and Miscellaneous Provisions Act of 1952 (EPFA), the Payment of Bonus Act of 1965, etc., guarantee workers a minimum wage as well as other benefits like bonuses, provident funds, gratuities, equal pay, medical benefits, and paid leave for childbirth and adoption. Contract workers and migrant workers both refer to employees who are engaged by an employer but actually execute their services via an outside party. A migratory worker is an employee who lives in one area of the nation but works for a contractor in another. The Contract Labour (Regulation and Abolition) Act of 1970 (CLRA) regulates the safety and security of contract workers. The EPFA also guarantees them access to a variety of additional benefits, including a provident fund. The Inter-State Migrant Workmen (Regulation of and Conditions of Service) Act, 1979 establishes guidelines for the treatment of temporary employees from other states. Workers in the informal sector may be freelancers, independent contractors, or employees, depending on the context. The unorganized Workers' Social Security Act (UWSSA) of 2008 establishes numerous benefit systems, like as life and disability protection under the Pradhan Mantri Jeevan Jyoti Yojana and Ayushman Bharat's health and maternity benefits—Prime Minister of India Health Insurance Program (Jan Arogya Yojana). The Industrial Relations Code (2020) only applies to workers who are directly employed by a sectoral economic enterprise. Workers that don't work at a single company are not included in this. Consequently, gig workers are not protected by laws guaranteeing the right to organize in a union, the ability to engage in collective bargaining, or consistency in hiring and firing practices. In 2020, the Occupational Health, Safety, and Working Conditions Code will not apply to workers who primarily rely on gig economy jobs. This is worrisome since many gig workers risk their lives by going to work while the outbreak is ongoing. Gig workers are not included by the pay Code (2019):thus they cannot even get the minimum pay. The Social Security law (2020) is the last of its kind and the only law to offer protection for independent contractors, platform workers, and unorganized employees. The Code covers a wide range of topics, from health and maternity benefits to retirement and education funding to accident and provident fund compensation. Life and disability insurance are also included. Under Code section 2(35), a "gig worker" is defined as a "individual executing a work or participating in a work arrangement and earning from such activities outside of traditional employer-employee relationships." The agreement specifies that the work is temporary and must be completed by a certain date. The existing Indian labour regulations do not provide any protection for gig workers.

As stated before, CLRA regulates aspects of the lives of migrant workers, construction workers, and unorganized employees. However, these regulations weren't made with today's gig workers, such as those on platforms, in mind. Workers on a platform are not protected by any employment regulations, including those governing contract labour. Despite the fact that platform companies could theoretically

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extend CLRA to platform workers under the definition of "contract labour," they do not do so in practice.⁹

**Teleworking and flexible working arrangements**

In the environment of virtual offices, remote work and other forms of workplace flexibility are gaining ground in India. Teleworking is carrying out one's regular duties while based in a different place, such as one's home. The phrase “flexible working arrangements” is used to describe workplace situations in which employees have more leeway in determining their own schedules, locations, and other aspects of their daily work lives. The epidemic has hastened the rise of remote and flexible jobs in India. For both legal and safety reasons, many businesses have moved to remote work arrangements in recent years. This change has brought to light the advantages of teleworking and other forms of flexible employment, such as enhanced efficiency, decreased commute time, and enhanced work-life balance. Remote work and other forms of workplace flexibility may one day replace the conventional office setting in India. They have the potential to boost job satisfaction and staff retention by giving workers more control over their schedules and projects. Companies may save money on rent and utilities by making use of these agreements. Telecommuting and other forms of flexible scheduling may be beneficial, but they are not without their drawbacks. Some of the key difficulties of remote and adaptable work arrangements are listed below. Cybersecurity: The potential for cyberattacks is one of the main reasons people are afraid of teleworking. When workers work remotely, they often utilize their own devices and networks from home, neither of which may have the same level of security as the company's own. This makes it simpler for hackers to steal private information from a corporation, including financial records and customer lists. Virtual private networks (VPNs), firewalls, multi-factor authentication, and staff education on the need of safe online behavior are just some of the cybersecurity steps that businesses may take to reduce this risk. Data privacy is another area where telework is raising concerns. When workers work remotely, they may be tempted to use non-compliant methods of storing and sharing corporate data, such as personal devices or third-party apps. This may cause problems with data security and adherence to rules and regulations. To overcome this difficulty, businesses must create data privacy rules and procedures and provide training to all workers. Working from home, or with a flexible schedule, might increase the risk of social isolation for workers. Employee morale, output, and mental health might all suffer as a result. Regular team meetings, virtual coffee breaks, and social gatherings are just some of the ways that businesses are preventing their employees from being socially isolated. Finally, the risk of burnout can be elevated by telework and other forms of flexible scheduling. When individuals are required to work from home, they may experience more stress and longer work hours since they cannot escape their jobs. To combat this issue, businesses should implement time constraints on workers' workdays, promote regular breaks, and emphasize the importance of employees’ mental health.¹⁰

**Here are a few cases with regards to telework:**

The Indian Supreme Court held in the case PUCL v. Union of India that privacy is a fundamental human right guaranteed by the Indian Constitution. This case has implications for telework and other types of

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flexible work arrangements as a precedent for the relevance of privacy protection in the context of gig workers’ employment\textsuperscript{11}. The Bombay High Court held that digital evidence may be used in court in the case State of Maharashtra v. Praful B. Desai\textsuperscript{12}. The need to secure electronic data and information in this setting means that this case has consequences for telework and other types of flexible work. In NALCO v. Sambit Mohapatra\textsuperscript{13}, the Orissa High Court declared that telecommuters are entitled to the same protections under the law as their on-site counterparts. This decision might affect the future of telework and other kinds of flexible work scheduling by highlighting the need to treat all employees including remote workers with dignity and respect. The Supreme Court of India held in Nippon Express (India) Pvt. Ltd. v. A.P. Workmen\textsuperscript{14} that employees who work overtime from home should be paid for their time. This decision might affect the future of teleworking and other types of flexible work scheduling by drawing attention to the need to adequately paying remote workers. The instances highlight the need to protect employee privacy and rights when considering flexible scheduling and remote work. They also emphasize the need of corporations providing remote workers with competitive salary and benefits packages. Companies may promote employee health and productivity by providing them with suitable remote working conditions.

Lawsto support gig workers during the epidemic by Government.

Recognizing the impact on income and livelihoods, the Indian government has taken several measures to support gig workers during the Covid-19 pandemic. The following are examples of such steps: The Prime Minister's Rural Electrification Program (PMGKY) In March of 2020, the government created a program called the PMGKY to aid the poor and vulnerable during the epidemic. Depending on their location and profession, gig workers who have lost income due to the pandemic may be eligible for cash help of between Rs. 1,000 and Rs. 6,000 under this plan.\textsuperscript{15} The government has also implemented a number of insurance and pension programs to provide financial stability for gig workers. Gig workers may get life insurance under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and retirement benefits through the Pradhan Mantri Shram Yogi Maan-dhan Yojana (PM-SYM)\textsuperscript{16}. Several credit facilities have been established by the government to assist gig workers through the epidemic. In order to enable micro, small, and medium companies (MSMEs), such as those run by gig workers, meet their working capital needs, the National Credit Guarantee Trustee Company (NCGTC) has created a plan to grant collateral-free loans to these businesses\textsuperscript{17}. Government officials have recently proposed various changes to the Labour Code that would improve safeguards and benefits for gig workers. A social security fund for gig workers is mandated by the Occupational Safety, Health, and Working Conditions (OSHWC) Code, 2020, and their safety and health in the workplace is addressed by the Code on Social

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\item \textsuperscript{11} PUCL v. Union of India, (1997) 1 SCC 301
\item \textsuperscript{12} State of Maharashtra v. Praful B Desai, 2003 SCC OnLine Bom 1352
\item \textsuperscript{13} NALCO v. Sambit Mohapatra, (2010) ILLJ 1259 (Ori)
\item \textsuperscript{14} Nippon Express (India) Pvt. Ltd. v. A.P. Workmen, (2004) 2 SCC 589
\item \textsuperscript{17} PTI / Updated: Oct 7, 2022, Govt notifies credit guarantee scheme for startups - times of India, The Times of India. TOI. Available at: https://timesofindia.indiatimes.com/business/india-business/govt-notifies-credit-guarantee-scheme-for-startups/articleshow/94698546.cms (Accessed: May 2, 2023).
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Security, 2020. During the pandemic, some platforms have implemented platform-specific measures to help their employees. Popular meal delivery services like Swiggy and Zomato have implemented insurance plans to protect their delivery partners financially in the event that they get the virus. During the pandemic, other platforms have provided their employees with things like financial aid, health insurance, and access to credit. The government has also created a number of programs to improve platform employees' skill sets and hence their employability. Skill development programs like the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) seek to prepare people for a variety of fields and industries, including the gig economy. The government has also introduced startup accelerator programs to help gig economy firms get off the ground. The Atal Innovation Mission, for instance, is a national initiative designed to foster entrepreneurship and innovation. Startups in the gig economy who participate in this program will have access to resources including mentoring and investment. The government has also initiated steps to improve the country's digital infrastructure, which is essential to the development and maintenance of the gig economy. For instance, the Bharat Net initiative plans to provide high-speed internet to every town in the nation, which would increase gig workers' access to digital platforms and online employment prospects. It is also vital to keep in mind that gig workers may be eligible for extra benefits via state-specific regulations and welfare programs. Gig employees in the Indian state of Maharashtra, for instance, are eligible for services provided by the Maharashtra Gig employees' Welfare Board, which was founded in 2020. The board provides benefits such as accident and health insurance, education and training, and housing benefits to registered gig workers.

**Drawbacks with regards to gig economy in new social security’s code**

Workers in India, especially those in the gig economy, would benefit from the Code on Social Security, 2020 since it will unify and amend regulations pertaining to social security and welfare. Gig workers do not get the same protections under the law as traditional employees, however. Gig workers may not be adequately protected due to the code's many flaws and restrictions. For instance, gig workers are not eligible for gratuity or employee provident fund under the current law. A gratuity is a one-time payment provided by an employer to an employee as a gesture of gratitude for their dedicated service. Employees who have served for more than five years are entitled to this remuneration under the Gratuity Act, 1972. However, the act does not apply to workers in the gig economy or any other unorganized sector. To put money away for retirement on a regular basis, both the employee and the employer are required to make contributions to an EPF account. The Employees' Provident Funds and

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Miscellaneous Provisions Act, which was passed in 1952, is the piece of legislation that governs the EPF for companies that employ 20 or more people. Gig workers, on the other hand, do not fall within the scope of this law's protections since they are not considered to be employees in the traditional sense. Due to the fact that the code does not offer a clear and specific definition of "gig workers," it is possible for there to be confusion and disparities in the application of the regulation. Freelancers are only eligible for a limited number of social security benefits because of the rule. Gig workers do not have access to a range of benefits, including life and disability insurance, health and maternity benefits, and retirement security. They are not eligible to receive gratuity or provident fund benefits. By mandating that gig workers contribute to their own social security and welfare systems, the Act lays a significant burden on those who operate in the gig economy. People who rely on freelancing as their primary source of income may discover that it is challenging to keep up with the required frequent payments. The legislation does not provide a sufficient mechanism for enforcing compliance and ensuring that gig workers are paid the benefits to which they are entitled. This prevents gig workers from receiving compensation to which they are legally entitled. It is possible that because of this, employees who are engaged in gig labour may be refused access to benefits to which they are lawfully entitled. The code has a limited reach, and its primary repercussions will be seen by workers employed in platform economies. It does not include workers who are employed in the informal economy or in any other kind of gig work. Potential exclusion of self-employed workers: The code provides for the establishment of a social security fund for gig workers, but it is unclear whether self-employed workers will be covered under this fund.

Conclusion
The fast spread of technology and the internet, expanding urbanization, and the Covid-19 epidemic have all had a huge influence on the future of employment in India, particularly for gig workers in the platform economy. There is still a long way to go before gig workers are treated fairly and have access to the same legal protections as regular employees, but the government has taken some attempts to address worker rights and job security issues. The Covid-19 outbreak has brought to light the fragile condition of India's platform economy gig workers. It has drawn attention to the need for further safety and aid for gig workers, particularly during times of economic difficulty and public health crisis. Even though the Code on Social Security 2020 outlines principles for the social security and welfare of gig economy workers, it does not afford them the same benefits as regular employees. Gig workers may also be entitled to benefits under their home states' laws and welfare systems. Even though traditional office work has drawbacks in India, telework and flexible schedules offer a viable alternative. As more firms embrace these models, they will need to find a balance between the benefits and drawbacks of teleworking and other kinds of flexible employment in order to maintain a good virtual work environment for their employees. During the epidemic, the government implemented a number of platform-specific measures, skill development programs, startup accelerator programs, and initiatives to improve the country's digital infrastructure to assist platform workers. Financial assistance, social security systems, credit facilities, and changes to labour regulations are all examples of initiatives aimed at better protecting and benefiting gig workers. Although these reforms are encouraging, more work is needed to ensure the long-term safety and prosperity of India's gig economy. These measures have the

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potential to safeguard Indian platform workers from exploitation and to help them succeed in the long term. While the Code on Social Security, 2020 provides some protection for gig workers, it may be undermined by a number of restrictions and drawbacks.