

Building Fair Work: Understanding India's Gig Economy

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Abstract

India's gig economy has expanded rapidly across sectors such as ride-hailing, delivery services, logistics, and home-based tasks. Platforms highlight flexibility and income opportunities, but workers often face unstable earnings, limited social protection, and management systems governed by opaque algorithms. Indian labour laws have begun to recognise gig and platform workers, yet they do not define core rights or clarify the obligations of platforms. This paper examines the legal and policy gaps that shape precarious work in the platform economy. It uses the Fair Work–India framework to identify five areas that require stronger protections: fair pay, fair conditions, fair contracts, fair management, and fair representation. The paper also reviews global legal developments and recent steps taken in India, including the Social Security Code, 2020 and state-level welfare initiatives. It proposes a phased approach to regulation focused on transparency, due process, and portable social security. The analysis shows that fairness and innovation can be aligned to support sustainable growth. Stronger legal protections will help India build a gig economy that promotes both economic opportunity and social equity.

Keywords: platform work; gig economy; labour rights; algorithmic management; social protection; India; Fair Work; digital labour platforms.

1. Introduction

Before the 1990s, most employment in India came from agriculture, informal trades, or small-scale manufacturing. These jobs often lacked regulation but were rooted in community ties or seasonal rhythms (International Labour Organization, 2016). Industrialisation brought factory jobs with more structure, while the later expansion of the service sector introduced formal employment in cities. However, these gains were uneven and did not reach all workers.

The liberalisation reforms of 1991 reshaped India's economy. They encouraged deregulation, reduced public sector employment, and promoted flexible labour markets. This pushed employers to adopt short-term, contract-based models over permanent hiring. In the name of efficiency and competitiveness, businesses began outsourcing work and distancing themselves from long-term worker obligations (Friedman, 2014; Scholz, 2017). This laid the foundation for the modern gig economy. What began as an invisible layer of casual and contingent work has now become central to how urban services function. Informal labour moved from the periphery to the core of economic growth.

Now, digital platforms connect workers directly to customers. This has created what is known as the gig economy (PwC, 2017; World Economic Forum, 2020). The Organisation for Economic Co-operation and Development (OECD) refers to the gig economy as:

“A socio-economic model based on accessibility, usually enabled by advanced technology and trust-building tools. It involves temporary access to, or sharing of, human or physical resources or assets. This exchange happens largely between individuals and may be for monetary, non-monetary, or mixed benefits.”

According to NITI Aayog (2022), gig workers are “those engaged in livelihoods outside the traditional employer-employee arrangement.” These include drivers for ride-sharing apps, food delivery workers, and others using digital platforms like Ola, Uber, Zomato, and Swiggy. There were 7.7 million gig workers in 2020–21, and this is expected to grow to 23.5 million by 2029–30 (NITI Aayog, 2022).

Gig work is not new. Freelancers have always existed in journalism, art, and construction. But what’s new is the scale and how people access jobs through mobile apps. Many now rely on this work as a main source of income. This shift creates new legal and social questions. As the platform economy grows, so does the need to ensure that the people who power it are not left behind. Frustration builds when people rely on work that offers no safety or voice. It may not always lead to protests, but systems that ignore basic needs do not stay stable for long.

The Fair Work India framework is a useful tool to assess how platform companies treat their workers. It sets out five clear principles that should guide fair platform work. These are fair pay, fair conditions, fair contracts, fair management, and fair representation. The framework evaluates whether platforms meet minimum labour standards and whether they provide workers with a fair and predictable working environment. It has been applied in several jurisdictions and has shaped debates on the governance of digital labour platforms. Introducing this framework in the Indian context helps in identifying the legal and policy gaps that allow precarious working conditions to persist.

2. Research Questions

This paper answers three core normative questions:

RQ₁: How does the current Indian legal framework classify platform workers, and what protections does this classification provide?

RQ₂: How can the Fair Work India framework help identify weaknesses in the regulation of platform work?

RQ₃: What legal and policy reforms can improve fairness, accountability, and rights for platform workers in India

These questions guide a structured examination of worker status, legal obligations, and regulatory gaps. They also help trace lessons from international experiences and adapt them to the Indian context.

3. Who Counts as a Worker?

The idea of who counts as a worker decides what legal rights a person has. In Indian labour law, this has mostly been a simple choice; either you are an employee, or you are not. This works for traditional jobs, but not for gig workers on digital platforms. Most gig workers are called “independent contractors” or “consultants.” These terms avoid legal duties. Platforms, on the other hand, call themselves “aggregators” to avoid being seen as employers but they control access to work, rates, and even deactivations. Platforms do not give paid leave, health benefits, or retirement plans. They do not promise minimum wages because they say there is no employer-employee link. This is more than a loophole. Gig workers often follow fixed rules. They wear uniforms, drive branded vehicles, log into apps, and follow algorithm-based instructions.

In 2021, the Indian Federation of App-Based Transport Workers (IFAT) went to the Supreme Court. The case seeks to treat 36,000 gig workers as “unorganised” or “wage” workers so they can get benefits like provident fund, insurance, and compensation. They say calling them “partners” hides the reality of low pay, high control, and little freedom, violating Articles 14, 21, and 23 of the Constitution (The Indian Federation of App-Based Transport Workers v. Union of India, 2021-pending). The case is pending, and a final hearing is awaited.

4. Precarity In Practice

The gig economy has opened new ways for people to earn a living. It offers flexibility and ease of entry, especially in cities. At the same time, this model places most workers outside formal legal protections. Since they are paid per task, gig workers do not have a fixed income. Their earnings vary based on demand, platform rules, customer feedback, and external conditions like fuel prices or the weather.

Many workers spend long hours online to meet targets. A joint survey by the Indian Federation of App-Based Transport Workers (IFAT) and the International Transport Workers’ Federation (ITF) found that gig workers spend 16–20 hours on the road. Nearly 90 percent reported fewer than six hours of sleep per night (Centre for Internet and Society, 2021). According to the Fairwork India Report 2024, major platforms such as Ola and Uber scored zero out of ten on fair pay, fair conditions, and fair management (Fairwork, 2024). This shows how far the system is from global standards.

Gender adds another layer of vulnerability for many gig workers. The average earnings of female workers tend to be lower than those of male workers. Most platforms do not offer support for childcare or maternity needs. Protection against workplace harassment is also lacking. The unpredictable nature of platform work makes it harder for many women to balance paid work with family responsibilities (Sardana, Mangar, & Hanspal, 2022).

The problem is not just limited to platform work. Women in other informal sectors face even harsher conditions. For example, women sugarcane cutters in Maharashtra are informally hired with no contracts or labour rights. They live in poor conditions and face extreme forms of control. Contractors often reject menstruating women, pushing many to undergo unnecessary hysterectomies to keep their jobs. A study by Shinde and Rakshase (2022) highlights how unfavourable work circumstances, including the inability to take breaks for menstruation, led many women sugarcane cutters to view hysterectomy as the only feasible way to continue working. These cases show how informal systems ignore both labour rights and women’s health. Without formal protections, exploitation becomes routine.

Another difficulty is financial inclusion. Many gig workers do not have formal proof of income. Lacking payslips, they struggle to access credit, housing, or support services. Banks and lenders are hesitant to offer loans to workers without stable income records. Most are also responsible for managing their own taxes and savings, often without professional guidance. This raises the risk of financial strain over time (Ghosh & Ramachandran, 2022).

Many IT consultants say they value the gig setup. Short contracts and multiple projects let them earn more and keep control. Employers also prefer this model because it avoids fixed benefits. They can hire skilled staff quickly without paying for pension, paid leave, or health insurance. But this cost-saving comes at a price. Workers who appear well-paid still lack any social security. Their incomes remain unstable between contracts. They have no safety net for illness, maternity leave, or old age. The money is alluring at first, but without protection it leaves them vulnerable to hardship and illness.

Recent evidence also shows how deeply platform work has embedded itself into everyday labour patterns in India. Workers spend an average of 12.4 hours per week on platform-based work in addition to over 21 hours on platform-based activities overall, indicating a significant dependence on digital platforms for income and essential services (Kathuria et al., 2021). These findings underline that precarity affects a growing portion of the workforce participating in India's evolving digital economy.

5. The Fair Work–India Framework

The Fair Work Foundation offers a structured and practical way to assess fairness in platform work. It identifies five core principles. These are fair pay, fair conditions, fair contracts, fair management, and fair representation. These principles reflect recognised labour standards and respond to the challenges of digital platform work. They also underline the need for accountability in algorithmic supervision and pay-setting practices. Research has shown that platform work often involves long hours, low and uncertain income, and limited ability to negotiate working conditions (De Stefano, 2016; Wood et al., 2019). Fair Work's approach seeks to address these concerns in a systematic manner.

Each principle includes clear indicators that measure minimum levels of fairness. These indicators cover income security, health and safety, transparency in contractual terms, due process in disciplinary actions, and access to worker voice. The indicators allow the quality of work on platforms to be compared over time and across sectors (Graham et al., 2020). This benchmarking can motivate platforms to adopt better labour standards. It can also guide regulators as they design policies suitable for platform-mediated work. The framework is relevant in India. Platform work has expanded rapidly in metropolitan areas. Many workers face vulnerability due to gaps in legal protections. Indian labour law has only recently begun to recognise gig and platform workers, and important issues such as employment status, bargaining power, and social protection remain unresolved (Rai, 2021). The Fair Work principles draw attention to these gaps. They help identify areas where protections need to be strengthened to support decent work.

In this paper, the Fair Work–India framework is used as a normative guide. It helps examine how current laws operate and where they fall short. It also informs the policy recommendations made later in this paper. The framework therefore serves two roles. It is a tool for analysing the present situation. It is also a reference point for future reforms in the regulation of digital labour platforms in India.

6. Global Lessons: What Other Countries Are Doing

The legal questions around gig work are not unique to India. Countries around the world are working through similar concerns. One of the most important cases on this issue is *Pimlico Plumbers Ltd. v. Smith*, decided by the UK Supreme Court in 2018.

In that case, a plumber was hired as an independent contractor. He wore the company uniform, drove a van with its logo, followed company rules, and worked fixed hours. Even though the contract called him a consultant, the court ruled that he was actually a worker. It found that the plumber had to perform work personally and was under company control. These facts were more important than the label used in the contract. The ruling gave him rights like paid leave and minimum wage (*Pimlico Plumbers Ltd. v. Smith*, 2018).

This case is useful for India. It shows that courts can go beyond contracts and look at how work is done in practice. Indian courts have done this in older labour cases. But platform work adds new complexity. Companies say they are only connecting users and workers. They say workers are free to choose jobs and

are not bound by strict rules. But many platforms still control how tasks are given, how long they take, and how performance is rated.

Another important UK case followed in 2021. In *Uber BV v. Aslam*, the court ruled that Uber drivers were not independent contractors. It held that the drivers were workers who deserved protection under labour law (*Uber BV v. Aslam*, 2021). The court noted that drivers had no control over prices, were monitored closely, and could be penalised for turning down rides.

In the United States, courts have started using the ABC test. This checks if a worker is free from control, works outside the usual business of the company, and is running an independent trade. Many gig workers do not meet these conditions. In California, a new assembly bill (California Assembly Bill 5 or AB5) requires that most gig workers be treated as employees.

These cases show that gig work is being re-examined worldwide. Courts are recognising that the nature of control matters more than the wording of contracts. They are also showing that legal protection and business success can work together. Uber still operates in the UK after being asked to follow employment rules.

In India, similar questions have reached the courts. In 2021, workers from Urban Company filed a case in the Delhi High Court. They argued that they were treated like employees but labelled as contractors. The platform set their prices, managed their schedules, and tracked their performance. They referred to *Food Corporation of India v. Jagdish Balaram Bahira*, where the Supreme Court said that real working conditions must guide how a worker is classified (*Prachi Agnihotri v. Urbanclap Technologies India Private Limited*, 2021; *Food Corporation of India v. Jagdish Balaram Bahira*, 2017).

The legal and economic context in India is different. But the core question is the same: when someone works every day under platform control, do they not deserve the same basic protections?

7. Indian Policy Responses

India has started to respond to the rise of gig and platform work. The most important step so far is the Social Security Code, 2020. This Code introduces new terms like “gig worker” and “platform worker.” It also gives the central government the power to design welfare schemes. These may include health insurance, life and accident cover, and contributions to provident funds. This is a step forward, but the law does not create enforceable rights. It gives permission to act, not a duty to act. Furthermore, the delivery of benefits depends on schemes that the central government may frame and notify over time.

One major concern is that gig workers are still not treated as employees. Without employee status, they cannot go to labour courts or ask for protections like fair wages, leave, or safe working hours. The law treats gig work as fundamentally different. But in practice, many gig workers follow set routines, receive instructions from platforms, and have limited choices in how they work. The level of control often matches traditional employment (More & Jadhav, 2024).

Some Indian states have tried their own solutions. Rajasthan passed the Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023. It sets up a framework for resolving disputes and providing benefits. It also creates a Welfare Board that gives each worker a unique identification code. Aggregators must contribute to a welfare fund through a monthly cess. The effectiveness of the Welfare Board, however, is still under evaluation.

The benefits listed in the Act include health insurance, accident cover, maternity benefits, pensions, and scholarships. This shows strong intent. However, the Act does not give gig workers the legal status of

employees. Some experts believe this limits access to core rights. Others worry that the extra duties on platforms could affect long-term business models.

In 2025, the State of Karnataka enacted the Karnataka Platform-Based Gig Workers (Social Security and Welfare) Act, 2025. The Act establishes a regulatory framework for platform-based gig work in the State. It mandates registration of platform aggregators and provides for registration of gig workers under a state-level welfare scheme. It creates a Welfare Board and a dedicated Social Security and Welfare Fund, financed by a levy on aggregators or payouts, to support social security and welfare benefits for registered gig workers. The Act also imposes transparency obligations on platforms, including clear contracts and disclosures about working conditions, occupational safety, and algorithmic decision-making where relevant.

These efforts reflect good intentions. But they also show the need for a national framework. Without coordination, different states may apply different rules. This creates confusion for both platforms and workers. India's labour law reforms have helped formal industry. Now, a similar focus is needed for informal, digital work. A fair system should support both business and workers. If one side is left behind, the entire structure becomes unstable.

8. A Better Way Forward

India's policy response to gig work has begun, but it remains limited in reach and unclear in design. The existing laws recognise gig workers, but they do not fully protect them. Some state-level schemes show strong intent, yet they rely on future decisions and do not offer long-term stability. To move forward, a coordinated and inclusive approach is essential.

The first step is to bring all stakeholders together. Governments, companies, civil society groups, and the workers themselves must be part of this conversation. Each brings a unique view and role. Workers can explain the challenges they face every day. Companies can suggest how policies can support both business and fairness. Civil society can help design programs and spread awareness. Policies made this way are more likely to match real conditions (Banik & Padalkar, 2021).

India also needs a national legal framework for gig and platform work. Leaving the matter to states or optional schemes will not create long-term impact. A central law can set clear standards for registration, entitlements, and working conditions. This could include a digital database to track service history and benefits. Each worker should receive an identity card linked to a portable benefits system. This system would allow them to carry health coverage, pensions, or leave entitlements across platforms and over time (De Stefano & Aloisi, 2018).

The system could be supported by a **tripartite contribution model**. The platform, the government, and the worker can each contribute in fair proportion. This will spread the cost and build shared responsibility. New rights also need new remedies. India could set up simple and fast-track tribunals to resolve disputes involving gig workers (Berg & De Stefano, 2022). These could address issues like deactivation, underpayment, or denial of benefits. Many workers cannot afford long legal battles. Quick and accessible resolution will give real meaning to the protections being proposed.

Gender-sensitive planning must also be part of future reforms (ILO, 2020). Many women in the gig economy face specific challenges; lower pay, fewer safety measures, and no maternity protection. Policies should address these gaps. Platforms can be encouraged to meet diversity goals and provide safety tools, such as in-app panic buttons or verified service zones.

Finally, public awareness is key. Many gig workers are not familiar with their rights. Training and information should be available in regional languages and simple formats. These steps can help workers manage finances, access credit, and plan for the future.

These reforms are not just legal fixes. They are ways to make the platform economy more stable and fair. When workers feel recognised, supported, and secure, they are less likely to react out of frustration. Recognition builds trust. And trust builds better systems for everyone (Berg & De Stefano, 2018).

9. Conclusion

India's platform economy has become a major source of income for a wide range of workers. It has expanded across sectors such as passenger mobility, logistics, domestic services, and online tasks. The model offers flexibility and new income pathways. At the same time, it exposes workers to unstable earnings, limited social protection, and management through algorithmic systems that can be difficult to understand. This tension between flexibility and insecurity lies at the core of current policy debates on platform work.

Existing labour laws are evolving. The Code on Social Security, 2020 recognises gig and platform workers for the first time. However, the Code does not address employment status or provide enforceable rights against platforms. Judicial guidance on worker control and subordination remains restrictive and inconsistent. The result is a regulatory gap in which platforms operate without clear obligations for working conditions, due process, or income stability.

The Fair Work–India framework provides a practical lens to understand and address these gaps. It highlights five principles that should guide reforms: fair pay, fair conditions, fair contracts, fair management, and fair representation. Aligning Indian law and platform governance with these principles can help embed fairness in the design of digital labour markets. This would support a more resilient and trustworthy ecosystem for all stakeholders.

A phased regulatory strategy can balance innovation with worker protection. Early steps should strengthen transparency in algorithmic decision making and ensure a fair and timely process for deactivation disputes. Later reforms can establish portable social security benefits and structured channels for worker voice. State-level initiatives, such as recent legislative developments in Karnataka, show that proactive regulation is possible within India's federal structure. Coordination across states and central authorities will be important to avoid uneven protections.

A fair platform economy is essential for long-term sustainability. Workers who have predictable earnings, safe working environments, and access to accountability are more likely to stay engaged and provide reliable service. Fairness is therefore not only a social objective. It also promotes economic inclusion and supports digital innovation.

Additionally, further research is needed to support evidence-based reform. First, studies should examine how contractual terms, rating systems, and automated decision rules affect work allocation and earnings in India. This includes understanding how digital systems shape control and bargaining power in practice. Second, research should pay greater attention to differences across sectors, regions, and demographic groups, since platform work is not uniform. Third, interdisciplinary approaches that combine legal analysis with technological and economic methods can help design workable regulatory tools. Comparative studies with other jurisdictions, including those in the Global South, will continue to be valuable for adapting best practices to India's diverse labour markets.

Building fair work in India's platform economy requires ongoing collaboration between lawmakers, regulators, researchers, platforms, and workers themselves. Future scholarship can inform how these actors design reforms that are transparent, accountable, and responsive to social and economic realities.

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