

# The Effects of the Code on Social Security, 2020, on the Welfare and Working Conditions of Gig and Platform Workers in the Indian Informal Economy

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## Abstract

The gig and platform economy's explosive growth in India has revolutionised employment in the unorganised sector by generating new types of labour that function outside of conventional employer-employee relationships. Ride-hailing drivers, delivery drivers, and on-demand service providers are examples of gig and platform workers who deal with ongoing issues like unstable income, long hours, algorithmic surveillance, and restricted access to social security. The Code on Social Security, 2020 (CSS) is a historic piece of legislation designed to provide these previously excluded workers with welfare protection. It allows governments to create welfare programs that include health insurance, maternity benefits, accident compensation, and old-age security. It is the first national law to formally recognise gig and platform workers. However, there has been uneven implementation, and many provisions are still primarily enabling. Even though programs like the e-Shram portal have increased worker visibility, there are still few real-world advantages. Empirical data shows that fundamental problems like contractual insecurity, inadequate grievance procedures, and wage precarity still exist. For significant welfare improvements, enforcement must be strengthened, platform obligations must be clarified, and complementary labour regulations must be introduced.

**Keywords:** Gig workers, Platform workers, Indian informal economy, Unorganised sector, Social security law, Labour welfare, Worker protection

## Introduction

The rise of the gig and platform economy in India is one of the biggest changes to work in the 21st century. Thanks to digital platforms and mobile technologies, millions of people now do things like ride-hailing, food delivery, domestic services, warehouse logistics, and digital microtasking. These workers are not

fully self-employed in the usual way, and they are not employees who are protected by standard labour contracts. They work at the crossroads of informality, technological mediation, and danger. Their work is influenced not only by market demand but also by algorithmic systems that decide who does what, how much they get paid, how visible they are, and even how they are punished.<sup>1</sup>

In the past, the Indian informal economy has employed most of the country's workers, giving them jobs but not much social protection. Even though gig workers are part of technologically advanced platforms, they are still part of the same ecosystem of insecurity. They have to deal with changing incomes, inconsistent work availability, rising fuel and maintenance costs, health risks, and a lack of ways to complain. During the COVID-19 pandemic, their livelihoods became even more fragile. Lockdowns made it hard for people to work, and many workers who were essential to the functioning of cities had little access to healthcare, insurance, or social assistance.

In this case, the Code on Social Security (CSS), 2020 is a major legal effort to include gig and platform workers in the state's welfare system. Indian law now recognises these types of work for the first time and sets up a system for protecting them socially. The Code promises to give millions of workers who don't have formal contracts more health, accident, maternity, old-age, and life insurance benefits. It also brings up the idea of shared responsibility, which means that the government, platform companies, and workers all put money into welfare funds.

However, the promise of the Code is accompanied by a complex set of challenges: legal recognition does not automatically translate into material protections; implementation delays, unclear definitions, uneven state-level readiness, and resistance from platform companies complicate the translation of the Code's provisions into practice; workers continue to navigate an environment where both technological and institutional structures shape their economic precarity; and the gap between legislative.<sup>2</sup>

These conflicts are examined in this study from a social science and humanities standpoint. It takes a narrative, contextual, and critical approach instead of concentrating only on legal analysis or policy evaluation. It makes an effort to depict gig workers' actual experiences, the political economy in which the Code functions, and the socioeconomic systems that influence their vulnerability. The article aims to comprehend how the CSS, 2020 changes the relationship between the state, platforms, and workers—and what this means for the future of work in India—by combining insights from labour studies, digital capitalism, public policy, and Indian socioeconomic history.<sup>3</sup>

### **The Rise of the Gig and Platform Economy In India**

Urbanisation, youth unemployment, smartphone adoption, and venture capital investments in digital platforms have all contributed to the gig economy's explosive growth in India over the past ten years. In the absence of formal employment, gig work seemed to provide millions of people with flexibility, autonomy, and income opportunities. In urban settings, drivers for ride-hailing services, task workers for hyperlocal platforms, and riders for food delivery services have become commonplace. These platforms presented themselves as collaborators in empowerment, but the truth was more nuanced.

Stable income was not always guaranteed by gig work. Complex bonus systems, surge pricing, and reward structures that frequently changed without consultation were used to incentivise employees. Platform algorithms, which were opaque, data-driven systems focused on maximising corporate efficiency rather

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<sup>1</sup> Fairwork India (2022), *Fairwork India Ratings: Labour Standards in the Platform Economy*

<sup>2</sup> Aajeevika Bureau (2020), *Lives on the Move: Migrant Workers in Indian Cities*.

<sup>3</sup> Narayanan, Sudha et al. (2021), IFPRI Working Paper on Gig Work & COVID-19.

than worker welfare, were crucial to earning potential. Additionally, gig workers frequently paid for all operational expenses, including maintenance, insurance, fuel, cars, and mobile data.<sup>4</sup>

Many gig workers found themselves working longer hours—often more than twelve hours per day—to meet incentive thresholds or make up for low base pay, despite the rhetoric of flexibility. Road accidents, harassment, exposure to extreme weather, and physical exhaustion were among the frequent occupational risks. Without a contract, employees could be "deactivated" or suspended without following the proper procedures.

The legal recognition of gig and platform workers is a crucial milestone because of this structural vulnerability. The CSS, 2020 is an attempt to rethink the social contract in the era of digital labour, rather than just a legal reform. However, politics, economics, and the everyday realities of workers are just as important to this reimagining's success as the law.

### **Historical Background: Informality, Labour Law, and the Limits of Protection**

The lengthy history of India's informal economy must be examined in order to comprehend the importance and constraints of the Code on Social Security (2020). India's labour market has remained dualistic since independence: the vast majority of workers engage in informal or semi-formal arrangements, while a tiny percentage have formal contracts and statutory protections. Self-employment, casual labour, working from home, subcontracting, and a variety of microbusinesses that are not subject to regulations are all considered forms of informal work. In the past, these workers have not had access to legal recourse, health security, old-age benefits, or minimum wage guarantees.<sup>5</sup>

After independence, factories, big businesses, and organised sector unions were the main targets of the expansion of labour laws. A stable, industrial workplace with distinct employers and employees was envisioned by laws like the Industrial Disputes Act (1947), the Employees' State Insurance Act (1948), and the Employees' Provident Funds Act (1952). Consequently, the welfare state continued to overlook a wide range of workers, including drivers, construction workers, domestic workers, and now gig workers. Informalization increased during the 1990s neoliberal shift. Technological developments allowed for remote and dispersed work, and businesses sought flexibility, lower labour costs, and increased subcontracting. The gig economy is the digital development of India's long-standing unofficial structures; it did not appear overnight. Gig workers bear the dual burden of informality: they are legally classified as independent contractors, which exempts them from traditional labour protections, but they are economically dependent on platforms.<sup>6</sup>

Thus, the CSS, 2020 both deviates from and continues India's labor-history trajectory. By recognising gig and platform workers, it breaks with the past, but it maintains the trend of leaving important protections to future schemes rather than incorporating them as legally binding rights. Decades of informal labour relations and regulatory fragmentation have shaped—and limited—its ambition.

### **Conceptual Framework: Precarity, Digital Labour, and Social Protection**

This research adopts a conceptual framework grounded in three interlinked ideas: precarity, digital labour, and social protection.

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<sup>4</sup> Mehta, Balaji (2020), *Indian Journal of Labour Economics*

<sup>5</sup> Breman, Jan (2012), *Footloose Labour: Working in India's Informal Economy*

<sup>6</sup> Agarwala, Rina (2013), *Informal Labor, Politics & Dignity in India*

### **Precarity as a Condition of Work**

Precarity is a social condition characterised by unstable employment, inadequate income, and a lack of institutional support rather than just economic insecurity. Because they carry the risks of self-employment without its autonomy while performing necessary tasks like transportation, logistics, and food delivery, platform workers are in a precarious position. Their earnings are subject to daily fluctuations; health crises may force families into debt; and changes in platform regulations may cause livelihoods to be disrupted overnight. Precarity is psychological as well as material.<sup>7</sup>

### **Digital Labour and Algorithmic Management**

Work that is organised, mediated, and assessed via digital technologies is referred to as "digital labour." Algorithmic systems that assign tasks, track performance, compute incentives, and assess customer satisfaction apply to gig workers. Algorithms are opaque, unaccountable, and always changing, in contrast to traditional supervisors. There is no transparency in the decision-making process regarding deactivation or earnings, and workers are unable to bargain with a machine. This results in algorithmic management, a novel type of contemporary labour control that maintains the appearance of independence while escalating precarity.<sup>8</sup>

### **Social Protection in a Changing Labour Landscape**

Traditionally, social protection has addressed risks related to unemployment, illness, old age, and injuries. However, as work becomes more dispersed, mobile, and digitally mediated, social protection frameworks find it difficult to adjust. By recognising new types of work and creating welfare mechanisms that take into account distributed employment structures, the CSS, 2020 aims to close this gap. However, there is a fundamental conflict with the Code: how to protect gig workers without reclassifying them as employees, a change that vehemently oppose?<sup>9</sup>

### **Analysis of the Code on Social Security (2020)**

The CSS, 2020 consolidates nine previous labour laws and introduces provisions specifically for gig and platform workers. Its key features include:

#### **Legal Recognition**

Indian law defines "gig worker" and "platform worker" for the first time, giving them legal recognition. Because it recognises millions of workers who were previously excluded from labour policy discussions, this recognition has significant symbolic value.<sup>10</sup>

#### **Welfare Schemes**

The Code authorises the central and state governments to introduce social security schemes covering:

- life and disability insurance
- health and maternity benefits
- old-age protection
- education and skill development

These advantages are not, however, always assured. Separate notifications, funding models, and administrative capacity are necessary for their implementation.

<sup>7</sup> Sennett, Richard (2006), *The Culture of the New Capitalism*

<sup>8</sup> Ministry of Labour (2021–23), *Draft Rules for CSS-2020*

<sup>9</sup> NITI Aayog (2022), *India's Booming Gig and Platform Economy*

<sup>10</sup> Government of India (2020), *Code on Social Security*

### **Funding Mechanisms**

The Code proposes a tripartite contribution structure:

- the Central or State Government
- the aggregators/platform companies
- workers themselves (in some schemes)

Platforms might have to put 1% to 2% of their yearly revenue into a welfare fund. However, there is still a lack of clarity regarding enforcement. Concerns regarding administrative viability and financial burden have been voiced by numerous platforms.

### **Registration and Coverage**

In order to create a national database of unorganised, gig, and platform workers, workers must register on specific portals (such as e-Shram). Registration is a prerequisite for accessing benefits. However, registration only identifies potential beneficiaries; it does not establish entitlement.

### **Ambiguities and Limitations**

Key challenges include:

- lack of mandatory, enforceable schemes
- vague definitions of platform responsibility
- absence of grievance redressal mechanisms
- no regulation of algorithmic management
- no recognition of employee-like dependencies

Although the Code acknowledges employees, it does not redefine their rights or workplace protections. Instead of treating gig workers as rights-bearing employees deserving of labour protections, it views them as welfare recipients.

### **Worker Experiences in the Gig Economy: Lived Realities Beneath the Digital Interface**

The Code on Social Security (2020) must be understood in terms of gig workers' daily lives rather than just policy language. Their experiences highlight the issues that the Code aims to resolve as well as the discrepancy between the promises made by law and actual circumstances. Uncertainty, long hours, safety hazards, and emotional strain are recurring themes in gig workers' narratives. Although digital platforms portray themselves as impartial middlemen, they actually influence labour behaviour in ways that are similar to hierarchical workplaces.<sup>11</sup>

### **Income Volatility and Economic Vulnerability**

Most gig workers lack predictable earnings. Income is shaped by:

- changing incentives
- surge-based pay
- customer ratings
- weather conditions
- time of day

Many workers claim to put in 10–14 hours a day just to get by. Net earnings are lowered by changes in fuel prices, maintenance expenses, and order cancellation penalties. Although joining bonuses or incentives may make gig work seem profitable at first, long-term earnings frequently decrease as platforms

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<sup>11</sup> Fairwork India (2021), Field Interviews on Drivers & Riders

modify their financial tactics. Workers find it challenging to budget for savings, healthcare, and education due to the volatility. The promise of social security becomes vitally important in this context.<sup>12</sup>

### **Health and Safety Risks**

Gig workers especially delivery riders and cab drivers—face high physical risks:

- road accidents
- extreme weather exposure (heatwaves, monsoons, pollution)
- physical exhaustion
- back injuries and repetitive strain
- harassment from customers or authorities

Very few workers have any kind of insurance despite these risks. Limited accident coverage is offered by platforms; this coverage is frequently temporary, conditional, or challenging to obtain. Workers who were considered essential during the COVID-19 pandemic were also among the least protected, having little access to PPE, testing, or sick leave compensation.<sup>13</sup>

### **Algorithmic Stress and Invisible Supervision**

Gig work is often marketed as flexible, yet workers frequently describe a form of digital supervision that shapes their every move. Algorithms determine:

- which orders a worker receives
- how long they have to complete tasks
- how their performance is evaluated
- whether they are eligible for incentives

Ratings are a common source of anxiety among employees, which may result in deactivation. Many people don't know how ratings are determined, how to challenge unfair penalties, or why they are given particular orders. Stress, annoyance, and a feeling of helplessness are brought on by algorithms' opacity.<sup>14</sup>

### **Lack of Collective Voice**

Conventional labour movements depend on shared worker identities, identifiable employers, and stable workplaces. On the other hand, gig workers are dispersed geographically and work independently. Unionisation is challenging due to this fragmentation and the lack of labour classification. Despite the emergence of some worker collectives and unions in large cities, they encounter opposition from platforms and have little legal support. While acknowledging gig workers, the CSS, 2020 does not establish institutional grievance procedures or collective bargaining rights.

### **Case Studies: What the Code Means in Practice**

The Code on Social Security (CSS), 2020 offers an ambitious framework for extending welfare protections to gig and platform workers, but understanding its true implications requires looking at the real-world experiences of workers in various platform economy sectors in India. Case studies of last-mile logistics employees, ride-hailing drivers, and food delivery riders highlight the Code's intricacies, shortcomings, and uneven effects. These illustrations show how, despite its symbolic significance, legal recognition has only partially improved the lives of workers.

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<sup>12</sup> NITI Aayog (2022), *India's Booming Gig and Platform Economy*

<sup>13</sup> WHO (2020), *Health and Safety Risks for Delivery Workers*

<sup>14</sup> People's Union for Democratic Rights (2021), *Ola/Uber Driver Report*

***Case Study 1: Food-Delivery Riders - Symbolic Inclusion, Limited Transformation***

One of the biggest and most noticeable groups of gig workers in India are those who deliver food. They must deal with erratic traffic, inclement weather, strict delivery deadlines, and customer-rated performance systems. Many riders were initially optimistic about the Code's introduction because they thought it would provide stability and fundamental protections like sick leave, accident insurance, and compensation during times of low demand. But in reality, the effect has been minimal. NGOs have helped many riders obtain their social security IDs, and registration on websites like the e-Shram portal has raised awareness of government welfare programs. However, because governments have not fully operationalised welfare boards or financing structures specifically for gig workers, the benefits associated with registration—such as accident insurance or pension plans—remain mostly theoretical. When accidents or medical emergencies occur, riders still have to pay for them out of pocket, and platform-sponsored insurance plans frequently only cover a small number of situations or are challenging to claim. In the meantime, riders have been trapped in cycles of long work hours and income volatility due to algorithmic changes to incentive structures, which occasionally significantly alter weekly earnings. Therefore, the Code hasn't done much to change the daily pressures riders face because it doesn't control working conditions or algorithmic management.

***Case Study 2: Ride-Hailing Drivers — High Expectations, Low Tangible Benefits***

Drivers who work for ride-hailing services like Ola and Uber frequently enter the industry in search of steady, respectable jobs. Expecting steady returns, many make large investments in car loans or rental agreements. However, shifting commissions, fuel costs, and erratic demand trends all influence their earnings. Driver associations anticipated that the CSS, 2020 would establish dispute resolution procedures, regulate commissions, and require platform contributions to social security funds. Rather than addressing pricing algorithms, fuel adjustments, or arbitrary account suspensions, the Code provided recognition without structural reform. Drivers' material conditions therefore essentially stay the same. While a number of drivers have signed up for e-Shram, the majority report no discernible advantages. Without systematic assistance, they still pay for health care, EMI payments, and car maintenance. Large ride-hailing companies have taken a wait-and-watch stance in the absence of explicit guidelines regarding platform contributions, arguing that the law requires more clarification. The Code provides no quick route to justice for drivers who experience harassment, unfair ratings, or abrupt deactivations. Therefore, even though the law gives platforms and drivers a legal identity, it is unable to change the unequal power dynamic between them.

***Case Study 3: Warehouse and Last-Mile Logistics Workers — Administrative Progress, Practical Gaps***

The rise of e-commerce has created a large pool of logistics workers involved in warehouse sorting, packaging, and doorstep delivery. These workers often operate under hybrid models—partly gig-based, partly contract-based—making their status even more ambiguous. Many perform physically demanding tasks, work long shifts, and face high performance targets. The CSS, 2020 in theory should cover such workers under the gig and unorganised-worker categories. In practice, some progress has been made: several state governments have discussed or initiated Gig Worker Welfare Boards inspired by earlier construction-worker boards. Some logistics workers have begun receiving basic insurance through state-level welfare schemes, but these remain experimental and unevenly distributed across regions. Uptake is still hampered by administrative bottlenecks like ambiguous eligibility requirements, a lack of data sharing between platforms and the state, and low awareness. Furthermore, the Code does not cover labour practices in warehouses, where productivity metrics, speed quotas, and surveillance systems significantly

influence working conditions. Employees claim that although the CSS recognises them on paper, platform goals still have a greater influence on their daily lives than state laws. Gig workers in warehouses are still susceptible to demanding work schedules and job instability in the absence of formal oversight or inspections—mechanisms typically available for factory workers.

### **Overall Implications**

A number of recurring themes can be seen in these case studies, including heightened public discussion about gig work, growing worker registration, and increased legal visibility. However, significant safeguards like healthcare, stable income, accident compensation, and equitable working conditions are still mainly unfulfilled. The gap between recognition and implementation highlights the need for more worker participation in policymaking, stronger enforcement, and clearer mandates. However, the CSS, 2020 has given hope and a framework for future reform.

### **Early Outcomes: Has the Code Improved Welfare?**

The welfare environment for gig and platform workers in India has changed in the early years after the Code on Social Security (CSS), 2020 was passed. These changes are apparent but not revolutionary. The most obvious early result is that gig workers are now more formally recognised and visible in policy discourse. In India's social-security framework, delivery riders, ride-hailing drivers, warehouse pickers, and online service providers are now recognised as valid labour categories. The creation of national databases, like the e-Shram portal, which has successfully registered millions of workers, has been aided by this recognition. Because it establishes the foundation for focused welfare delivery, the creation of such databases is a crucial administrative step. However, since many of the programs described in the Code have not advanced from policy proposals to operational programs, the benefits associated with this recognition are still largely latent.<sup>15</sup>

Welfare has only slightly improved on the ground. While some states have started pilot welfare boards or preliminary insurance programs, most gig workers have not seen noticeable improvements in their financial security. The fundamental tenets of the Code—accident insurance, maternity benefits, old-age protection, and health support—remain unevenly applied and underfunded. Employees who have registered on government platforms frequently say they don't know how to apply for benefits or if they are even eligible. Welfare delivery is sluggish and uneven because the administrative infrastructure needed to process claims, confirm eligibility, and distribute benefits is still underdeveloped.<sup>16</sup>

Crucially, the Code has not substantially changed working conditions, which are still largely determined by market forces and platform algorithms rather than governmental regulation. Because base pay frequently decreases, incentive structures frequently change, and fuel and maintenance costs continue to rise, gig workers' earnings remain unstable. Unfair customer feedback systems, ratings-based penalties, and deactivation without cause continue to be everyday concerns. The CSS has little effect on the realities of the workplace because it does not control fair compensation, working hours, labour conditions, or algorithmic decision-making.<sup>17</sup>

However, platform companies have generally taken a cautious stance, delaying financial participation in welfare funds until they have clarity on contribution requirements and enforcement mechanisms. Platform

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<sup>15</sup> Ministry of Labour & Employment (2022), *e-Shram Registration Data*

<sup>16</sup> Tandem Research (2022), *Social Protection Gaps for Gig Workers*

<sup>17</sup> Ministry of Labour & Employment (2022), *e-Shram Registration Data*

compliance is still optional and restricted in the absence of strict enforcement or comprehensive regulations.

### **Critical Analysis: The Code as Symbolic Recognition More Than Structural Reform**

Even though the Code on Social Security (2020) is frequently praised as a step in the right direction, a closer examination reveals its shortcomings. In many respects, the Code serves as a symbolic acknowledgement rather than a real restructuring of labour rights in the digital economy. Although it admits that gig and platform workers exist, it is reluctant to question the economic model that creates their vulnerability.

Stable employer-employee relationships are the foundation of social protection systems worldwide. However, this structure is exactly what makes the gig economy thrive. In order to avoid labour obligations, platforms maintain that they act as middlemen between clients and independent contractors. The Code supports this framework by maintaining the contractor classification, avoiding labour rights issues, and emphasising welfare initiatives. Instead of changing gig work, this strategy makes it more casual.<sup>18</sup>

This distinction between rights and recognition can be interpreted as a political concession from the viewpoint of the humanities and social sciences. The government wants to appear attentive to worker welfare while simultaneously modernising labour laws, luring investment, and promoting digital entrepreneurship. Without facing the concentrated economic power of digital platforms, the state is able to assert progress thanks to the CSS, 2020.

### **Political Economy of Platform Work and the State**

Understanding the limitations of the CSS, 2020 requires examining the political economy shaping India's digital labour landscape. Three intertwined factors explain why the Code remains cautious and incomplete.

#### **Platform Companies and Economic Influence**

Gig-economy platforms—ride-hailing, food delivery, e-commerce logistics—are backed by powerful global investors. These firms operate on thin margins in competitive markets, prioritising:

- cost optimisation
- flexibility in labour supply
- avoiding employer obligations
- rapid scalability

Reducing labour responsibility is essential to their profitability. Their business model is challenged by labour protections that raise costs or mandatory contributions to social security funds. As a result, platforms present themselves as innovators and job creators while advocating for favourable regulatory environments.<sup>19</sup>

This influence is reflected in the Code. By not reclassifying platform workers as employees, it avoids obligations like minimum wages, provident fund contributions, and set hours. Rather, it upholds the illusion of independence while providing welfare programs that place little strain on platforms.

#### **The State's Developmental Imperatives**

India's aspirations to become a global digital economy shape how it governs platform labour. Policymakers often view technological innovation as key to economic growth, urban mobility, and empl-

<sup>18</sup> Sundar, K.R. Shyam (2020), *Contemporary Labour Regulation in India*

<sup>19</sup> IT for Change (2022), *Platformization of Work in India*

oyment generation. The gig economy is seen as:

- a source of work opportunities for youth
- a sign of modernisation
- a contributor to urban services

According to this narrative, aligning too closely with labour rights could "undermine competitiveness" or "discourage innovation." As a result, the state strikes a balance by providing some welfare without upsetting the flexible labour laws that are thought to be advantageous to business.

The CSS, 2020 reflects this ambivalence. It acknowledges the structural vulnerability of gig workers, but hesitates to create enforceable labour rights that could reshape power relations within digital markets.

### **The Legacy of Informality**

Policymakers' conception of gig work is influenced by India's lengthy history of informal labour. Informality is accepted as the standard rather than the exception. For many years, workers have managed to make ends meet without contracts, social security, or steady pay. Gig workers, despite appearing in technologically advanced settings, are often treated as an extension of this informal workforce.<sup>20</sup>

The CSS, 2020 continues this pattern: it situates gig workers in a welfare-based model traditionally used for unorganised workers rather than aligning them with formal labour protections. This reinforces the idea that gig work is not a domain of labour rights but of targeted welfare benefits.

### **Assessing the Impact: How Much Has Changed Since 2020?**

The gig and platform work landscape in India has experienced a number of minor but significant changes since the Code on Social Security (CSS), 2020 was passed. However, these changes fall well short of the transformative impact envisioned when the legislation was introduced, leading to a situation where symbolic progress outpaces tangible improvements in workers' lives. On the one hand, the Code has unquestionably increased gig and platform workers' visibility in national policy discussions, as it is the first time that Indian labour law has formally acknowledged these new labour categories. This acknowledgement has prompted state agencies, researchers, and worker associations to pay more attention to the quickly growing field of digital labour, as well as wider discussions on the rights, vulnerabilities, and economic contributions of workers who operate through digital platforms. Millions of unorganised workers, including gig workers, have been able to register with the government thanks to initiatives like the e-Shram portal. This has laid the groundwork for targeted welfare delivery and improved mapping of India's informal labour force.<sup>21</sup>

However, because many of the social security programs envisioned under the Code are still in the early stages of development or have not yet been operationalised at all, this administrative change has not yet resulted in significant welfare gains. Despite its symbolic significance, registration provides little immediate protection in the absence of specific programs, efficient claim procedures, or dependable funding sources. However, the precarity that existed before 2020 is still reflected in the working conditions for gig and platform workers: earnings are still unstable due to changing algorithmic incentive structures; long hours are still common as workers try to meet incentive thresholds; safety risks have not decreased, particularly for delivery riders and ride-hailing drivers; and the opaque nature of algorithmic management continues to put a great deal of pressure on workers through unpredictable deactivations, ratings-based penalties, and incentive fluctuations that are neither transparent nor negotiable. Many

<sup>20</sup> FES India (2022), *Power Asymmetries in Platform Economy*

<sup>21</sup> Labour Bureau (2021), *Employment & Unemployment Survey*

businesses continue to avoid financial responsibility by highlighting the "independent contractor" status of their employees, despite early expectations that the CSS would impose clearer obligations on platforms to contribute to welfare funds. Welfare initiatives have been implemented slowly and unevenly as a result of platforms delaying compliance or engaging ambiguously with regulatory expectations due to the Code's lack of clear enforcement guidelines. Progress is also impeded by bureaucratic limitations: state labour departments frequently lack the administrative capability, digital infrastructure, or interdepartmental coordination required to provide social protection efficiently at scale.<sup>22</sup>

Additionally, many workers are discouraged from registering due to information gaps, digital barriers, and mistrust of government systems. Additionally, migrant workers encounter additional difficulties in updating personal information and ensuring continuity across states. Despite their growth, worker collectives are still dispersed and have trouble organising a geographically dispersed workforce, which limits their capacity to exert pressure on the government or platforms for quicker implementation. Because of these interrelated factors, the CSS, 2020 has largely had a conceptual rather than a material impact since it was passed. It has helped change the way gig work is viewed and discussed in India's regulatory environment, but it hasn't yet provided the concrete protections that workers desperately need, like health insurance, accident compensation, pension support, or stable working conditions. In conclusion, even though the Code has created a framework for future welfare expansion and opened the door to future reform, the actual working conditions in the gig economy have remained largely unchanged. This highlights the need for more robust social protection delivery systems, clearer platform accountability, and stronger enforcement mechanisms if the legislation is to truly fulfil its promise.<sup>23</sup>

### **Why Has the Code Not Fully Transformed Gig Work?**

Despite its progressive intent, the Code on Social Security (CSS), 2020 has not completely changed gig work in India due to institutional, political, and structural limitations. Fundamentally, the Code recognises gig and platform workers as a separate labour category but refrains from redefining them as employees or dependent workers, which would have guaranteed enforceable labour protections like minimum wages, working-hour restrictions, collective bargaining, and job security. The Code perpetuates the current power disparity between platform companies and workers by continuing to classify gig workers as independent contractors. This deliberate ambiguity allows platforms to avoid obligations typically associated with employers and undermines the transformative potential of the legislation.<sup>24</sup>

The absence of enforceable mandates is a second significant constraint. The CSS provides a framework for social protection, but it doesn't outline the operational specifics needed to make programs work, like specific platform contribution rates, enforcement agencies, fines for non-compliance, or deadlines. Numerous important welfare programs, including health insurance, pension support, and accident insurance, are either announced without full administrative support or only exist on paper. The Code remains a blueprint rather than an operational welfare system in the absence of regulations, notifications, and budgetary allotments. Because benefit delivery systems are either insufficient or inconsistent between states, gig workers who have registered on the e-Shram portal have generally not seen significant improvements.<sup>25</sup>

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<sup>22</sup> UNICEF (2021), *Social Assistance Barriers for Informal Workers*

<sup>23</sup> APU (2021), *Employment Trends in Urban Gig Work*

<sup>24</sup> ILO (2020), *Non-Standard Employment Around the World*

<sup>25</sup> NITI Aayog (2019), *Future of Work in India*

A third reason stems from the resistance and influence of platform companies, whose business models thrive on labour flexibility and low operational costs. Obligatory contributions to social security funds would increase financial burdens and potentially disrupt the cost structures of ride-hailing, delivery, and logistics platforms. These companies, backed by powerful investors, often lobby against stricter regulations and frame gig work as a source of entrepreneurial freedom rather than employment, enabling them to resist reforms that would impose accountability. The CSS, shaped within this political-economic environment, tends to favour voluntary compliance and collaborative frameworks rather than strict mandates, diminishing the legislative overhaul necessary to improve working conditions.

Administrative and bureaucratic obstacles further impede the Code's effectiveness. Inadequate staffing, slow interdepartmental coordination, digital divides, and fragmentation plague India's welfare delivery system. Millions of gig workers, many of whom are migrants with shifting identities, phone numbers, and places of employment, require a level of administrative capability that state institutions are currently ill-prepared to handle in order to implement social protection. Workers frequently experience frustration and disengagement as a result of difficulties with registration, documentation, eligibility verification, and claim procedures.

Finally, The limitations of the Code are a reflection of a larger socioeconomic environment where labour laws prioritise flexibility over worker security and informality predominates. For fear of deterring investment or innovation, policymakers are reluctant to impose stringent regulations on platforms in a labour market where over 90% of workers are informal. A diluted regulatory approach that avoids addressing structural inequalities is the outcome of this ideological preference for economic growth and digital expansion over labour rights.<sup>26</sup>

In conclusion, the Code has not changed gig work because it provides a framework without enforcement, recognition without rights, welfare without effective management, and reform without taking on the business interests that support platform capitalism. India must transition from symbolic legislation to comprehensive, enforceable labour protections that are adapted to the realities of digital work if significant change is to be achieved.

### **Policy Recommendations**

To strengthen India's social protection framework for gig and platform workers, a number of comprehensive, enforceable, and context-sensitive policy interventions that address the structural flaws in the Code on Social Security (2020) as well as the unique vulnerabilities brought about by platform-mediated labour are required. First, platform contributions to social security funds need to be mandated and made clear. Because of the uncertainty surrounding contribution rates and enforcement procedures, platforms are currently able to delay or avoid compliance. The government should implement automated digital fund collection systems, impose strict penalties on noncompliant platforms, and set fixed percentages of turnover or per-transaction levies. Transparent annual audits and public disclosure of welfare fund utilisation would further guarantee accountability. Second, social protection needs to be worker-centric, unified, and portable due to the mobility of gig workers across different platforms, cities, and informal jobs. Benefits like health insurance, pensions, and accidental insurance should be linked to the employee rather than the employer using a universal digital ID linked to the e-Shram database. This will ensure that benefits will continue even if workers move to new locations or platforms.<sup>27</sup>

<sup>26</sup> NITI Aayog (2019), *Future of Work in India*

<sup>27</sup> SEWA & IT for Change (2021), *Policy Solutions for Platform Workers*

A third important recommendation is to streamline and decentralise benefit delivery and registration. Many workers remain unregistered due to digital illiteracy, gaps in documentation, or mistrust of public institutions. To counter this, the government should establish mobile registration units, multilingual support centres, and partnerships with labour unions and NGOs to expand outreach. Platforms may be required to include registration prompts in their applications. Single-window processing, local grievance officers, and simplified claim procedures would improve accessibility and reduce bureaucratic delays. Fourth, policy reform must directly address the working conditions that algorithmic management has shaped. Despite its focus on welfare, the Code does not regulate the workplace. Algorithmic transparency requirements, such as disclosure of rating systems, incentive calculations, and deactivation criteria, would protect workers from arbitrary digital control. Employees should be able to contest deactivation decisions through impartial tribunals, and platforms must be required to provide human review of automated decisions.<sup>28</sup>

Fifth, Sixth, the establishment of state-level Gig and Platform Worker Welfare Boards can provide an institutional anchor for long-term reform. These boards, which are modelled after construction-worker welfare boards, can manage welfare funds, deliver benefits, oversee platform compliance, and provide local grievance redressal. Policymakers should establish floor earnings or guaranteed minimum pay per task, especially in industries like ride-hailing and food delivery, where income volatility is extreme. They can also collect platform-level data, enabling more informed policymaking.

Finally, tripartite communication between the state, platforms, and worker collectives is necessary for sustainable reform. Encouraging platforms to adopt ethical business practices and ensuring that policy decisions reflect the lived realities of workers are two benefits of institutionalising regular consultations. The regulatory process will become even more democratic if worker associations are given legal recognition and collective bargaining rights are strengthened. When taken as a whole, these suggestions provide a way to turn the CSS, 2020 from a symbolic framework into a strong system that can safeguard gig workers in a quickly changing digital economy.<sup>29</sup>

## Conclusion

The Code on Social Security (CSS), 2020 represents a landmark shift in India's labour policy, marking the first formal recognition of gig and platform workers within the national legal framework. The Code represents a progressive rethinking of what work is in the modern economy by extending the reach of social protection to include non-standard and digitally mediated forms of employment. But despite its symbolic significance, gig workers' lives have not yet significantly improved as a result of the Code. Its impact has been constrained by poor execution, scheme-based rather than rights-based design, administrative hold-ups, and opposition from platform companies. Most importantly, platforms are able to continue treating workers as independent contractors and avoiding fundamental labour obligations like minimum wages, job security, and collective bargaining rights because the Code does not address the fundamental problem of labour classification

However, the CSS offers a useful basis for upcoming reforms. It has sparked state-level innovations like gig worker welfare boards, encouraged public discussion, and made worker registration easier with programs like e-Shram. India must now build on this momentum with stronger institutional capacity, transparent platform governance, enforceable rights, and regulatory accountability in order to genuinely

<sup>28</sup> ILO (2021), *Digital Labour Platforms Policy Options*

<sup>29</sup> Fairwork (2022), *Principles for Fair Platform Work*



improve working conditions. The solution is to transform rhetoric into substantive change and recognition into actual protection.