

GIG ECONOMY AND THE DIGITAL DIVIDE: EXPLORING THE INTERSECTIONS OF TECHNOLOGY, LABOR, AND INEQUALITY

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ABSTRACT

The nature of work is changing dramatically as technology and automation advance, with old employment being redefined and new opportunities arising. In India, the gig economy, which is defined by short-term, flexible work arrangements made possible by digital platforms, is rapidly expanding, resulting in a rising number of people participating in flexible, temporary job opportunities. This transition also raises important concerns about job security, justice, and inequality; thus, it is critical to investigate gig workers' legal status and the influence of the digital divide on their rights and safeguards. So, the purpose of this research is to investigate the legal status of gig workers and find loopholes in labour laws and social security benefits. This chapter covers the issues that gig workers experience in India, as well as methods to encourage fair and secure labour in the gig economy. It also looks at how the digital divide affects gig workers, particularly those who have restricted access to technology, low digital literacy, or inadequate internet access. Addressing these concerns is critical to ensuring that the advantages of the gig economy are distributed equally across all workers. The study examines existing research and legal frameworks to gain a better understanding of the gig economy and digital divide in India. Its goal is to propose policies and practices that promote decent work, social justice, and inclusive growth by investigating the connections between technology, work, and inequality. The findings are important for policymakers, employers, and workers, emphasizing the need for a better understanding of the gig

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economy's influence on India's shifting job market. The idea is to mitigate the negative consequences of gig employment and ensure that the benefits are distributed more evenly. The paper's goal is to contribute to a fair, inclusive, and sustainable future of work for all in India by investigating the links between technology, labour, and inequality.

KEYWORDS: Gig Economy, Digital Platform, Technology, Labour, Inequality, Equitable, Job Market.

1. INTRODUCTION

When looking around now, it is clear that the way people in India work has changed significantly. Many people no longer work nine to five in a permanent workplace or rely solely on a single regular employment. Instead, an increasing number of people are working in the so-called "gig economy." This means people perform short-term or task-based jobs whenever and wherever possible, often combining several types of work to make a living. For example, someone might drive for Ola or Uber in the morning, then deliver food for Swiggy or Zomato in the evening, and on weekends, they might do some online teaching, freelance content writing, or graphic design work from home. Others operate in their communities without the use of applications, such as home cleaners, plumbers, electricians, and carpenters who take on small jobs on the spot. In other words, rather from being tied to a single organization as full-time employees, gig workers execute tiny activities for various clients or platforms and are paid for each task they complete. Technology is a major driving force behind this transformation. With inexpensive internet bandwidth and the widespread availability of smartphones, practically anyone can now download an app, join up in minutes, and begin receiving job possibilities without going through lengthy recruiting processes. Digital payments also make it easier to receive money fast without having to wait for monthly salary. The COVID-19 pandemic adds another layer to this trend by making many people recognize that a single fixed job is not always guaranteed. During lockdowns, countless normal workers lost their employment, but those who could flip between minor tasks online or through delivery platforms made ends meet. This adaptability offered them a sense of power and independence. On the other hand, enterprises and small businesses have begun to prefer hiring gig workers since it allows them to save money. Instead of having a huge permanent workforce and paying them monthly, businesses can now hire personnel as needed and simply scale up or down based on demand.

This belief is not only anecdotal formal research acknowledge it. According to the NITI Aayog, the Indian government's policy think tank, there were around 7.7 million gig workers in India in 2020-21. This figure is fast rising and is predicted to reach more than 12 million by 2025, and approximately 23.5 million in 2030.³ These statistics illustrate that gig work is no longer a sideline or a passing fad; it is already a significant part of India's labour market and economy. Many young people, particularly those in cities, see the gig economy as a chance to make money, learn new skills, and work with flexibility, even if it lacks the long-term job stability and benefits of regular employment.

Understanding how technology, labour, and inequality intersect in today's gig economy is critical. The gig economy is primarily reliant on technology, and people who lack access face exclusion and unfairness. Furthermore, gig workers frequently lack the benefits of typical employees, such as social security, minimum pay, and job stability. This presents additional legal and social issues for India, a country with a large informal workforce.

This chapter aims to explore the legal status of gig workers in India, the impact of the digital divide on their opportunities, and how the Indian legal system is responding. We will look at important laws like the *Code on Social Security, 2020*⁴ (which includes sections addressing gig workers' rights), the *Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023*⁵, and key judicial decisions like the *Indian Federation of App-Based Transport Workers (IFAT) v. Union of India, 2021*⁶ case, which recognized gig workers' right to social security. We will also discuss how constitutional protections related to equality⁷ and right to life⁸ relate to digital access and labour rights.

2. LITERATURE REVIEW

1. The research paper by *Jinyoung Hwang* (University of Edinburgh MA Social Policy and Economics, United Kingdom) titled "*The Gig Economy and Its Implications for Labor Laws and Worker Protections*"⁹ examines how gig economy jobs such as Uber, freelancing,

³NITI Aayog, 'India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work' (2022) https://www.niti.gov.in/sites/default/files/2022-06/25th_June_Final_Report_27062022.pdf

⁴Code on Social Security, 2020, Act No 36 of 2020 (India) https://labour.gov.in/sites/default/files/ss_code_gazette.pdf

⁵Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023, Act No 29 of 2023 (Rajasthan) https://prsindia.org/files/bills_acts/acts_states/rajasthan/2023/Act29of2023Rajasthan.pdf

⁶Indian Federation of App based transport workers v uoi W.P.(C) 1068/2021

⁷Constitution of India, art 14.

⁸Constitution of India, art 21.

⁹ Jinyoung Hwang, *The GIG economy and its implications for labour laws and worker protections*, Vol.13 Issue 01, International Journal of Science and Research Archive, 3405 (2024), <https://doi.org/10.30574/ijrsra.2024.13.1.1714>.

and delivery work have altered people's work habits and challenged long-held labor laws. It demonstrates that many gig workers do not have steady jobs or perks such as health insurance and paid time off, making their work less secure than traditional employees. The study employs interviews and questionnaires to highlight issues such as uncertain employment status, fluctuating income, and inadequate legal protections. It also discusses how difficult it is for gig workers to organize and advocate for their rights. The report advocates for new regulations to better safeguard gig workers and ensure fair treatment in today's evolving labor economy.

2. This study by *Animesh Kumar Sharma* and *Rahul Sharma* titled “*The Gig Economy and the Evolving Nature of Work in India: Employment, Policy, and Platform Realities in the Age of Convenience*”¹⁰ explores the rapid rise of the gig economy in India, with an emphasis on job potential, problems, and policy consequences. After speaking with 23 gig workers in Delhi to understand their experiences. It discovered that, while gig labor provides independence and flexible hours, workers face significant obstacles such as unpredictable income, hefty platform fees, and no job stability or perks such as health insurance. Many workers are concerned about the platforms' unfair regulations and want the government to intervene and give protections such as minimum pay and social safety nets. Overall, the report concludes that the gig economy presents both potential and threats, and that improved legislation and more equitable platform policies are required to enable workers make a consistent income and feel safe.

3. The article by *Mousumi Das* titled “*An Economic and Legal Analysis of Gig Economy in India and Future Growth Potentials - A Case Study of Food Delivery Platforms*”¹¹ states that the gig economy in India has risen significantly, with apps such as Swiggy and Zomato providing flexible jobs, particularly for women. However, many employees work long hours for minimal compensation, with no benefits or job security. The rules are vague, and employees have little leverage to demand improved working conditions. The government is beginning to safeguard gig workers, but greater legislation is still required to ensure their occupations are safe and fair.

¹⁰ Animesh Kumar Sharma & Rahul Sharma, *The Gig Economy and the Evolving Nature of Work in India: Employment, Policy, and Platform Realities in the Age of Convenience*, Journal of Digital Economy. (2025), <https://doi.org/10.1016/j.jdec.2025.07.005>

¹¹ Mousumi Das, *An Economic and Legal Analysis of Gig Economy in India and Future Growth Potentials – A Case Study of Food Delivery Platforms*, 5(1), Journal of Asiatic Society for Social Science Research, 56 (2023).

4. The paper by *Prajakta Sanap* and *Devyani Kapse* titled “*Legal Issues in The Gig Economy: Exploring Worker Rights and Classification in Platform – Based Employment in India*”¹² examines how the gig economy in India is affecting workers, particularly those employed through digital platforms. It explores how gig workers' legal status is sometimes unknown, and how present regulations do not always provide them with clear protection. The authors evaluate existing rules and emphasize areas where they fall short, arguing that revisions are required to ensure gig workers' rights are protected. Their paper also discusses how the rise of gig labor affects both traditional and non-traditional employees, and why it is critical to address these issues in order to make the system more equitable for all workers.

5. *The Code on Social Security, 2020*¹³ It is a significant law in India that addresses how gig workers should be treated and protected. It aims to incorporate gig workers and others in the informal sector by establishing criteria for social security and welfare payments. The law recognizes that working through digital platforms presents new issues, particularly in terms of job security and benefits, and seeks to increase health insurance, pensions, and other protections for those who do not have traditional jobs. This bill is a step forward in closing the wage gap between traditional and gig economy workers, and it demonstrates how technology and changing work styles are forcing policymakers to reconsider worker rights in order to create a more equitable society.

3. THE GIG ECONOMY: TECHNOLOGY AND WORK

The gig economy refers to a new way of working where people take on temporary, flexible jobs that often last for a short time instead of nine-to-five, permanent, full-time jobs. To make this possible, technology is playing a very important role, especially in a country like India, where smartphones and the internet are easily accessible. Mobile applications and online platforms connect service providers with customers who require services, ranging from delivering food and transporting to freelance writing and online tutoring.

3.1. Role of Technology in Shaping Gig Work

The gig economy relies heavily on technology. Digital platforms provide convenient meeting sites for employees and clients. Many people may now access these platforms at any time

¹² Prajakta Sanap and Devyani Kapse, ‘*Legal Issues In The Gig Economy: Exploring Worker Rights and Classification In Platform-Based Employment*’, Indian Journal of Law and Legal Research, (2023) <https://www.ijllr.com/post/legal-issues-in-the-gig-economy-exploring-worker-rights-and-classification-in-platform-based-empl>

¹³ The Code on Social Security, 2020, Act No. 36 of 2020 (India), 28 September 2020, available at https://labour.gov.in/sites/default/files/ss_code_gazette.pdf

and from any location, thanks to smartphones and affordable internet. This accessibility has encouraged the fast expansion of gig work. Uber and Ola are two examples of ride-sharing applications, while Swiggy and Zomato are food delivery apps, and Urban Company is a home services platform.¹⁴ These systems offer flexibility, allowing employees to select when and how much they wish to work.¹⁵

3.2. Types of Gig Jobs in India

The gig economy has grown rapidly in India, particularly in recent years, providing numerous flexible job alternatives for people from all walks of life. Some of the most frequent gig jobs include driving for ride-hailing apps like Ola and Uber, as well as working as food delivery partners for firms like Swiggy and Zomato.¹⁶ These professions let individuals to work as much or as little as they wish, frequently earning money based on the number of trips or deliveries completed, making it appealing for earning on the side or managing other commitments.¹⁷ Another popular alternative is freelancing in creative sectors such as content writing, graphic design, and digital marketing, which allows people to work from home or co-working spaces and receive tasks through websites such as Upwork or Freelancer.¹⁸ Many students and homemakers work online, providing virtual support, tutoring, or even digital onboarding duties such as assisting businesses in signing up new customers or introducing financial goods.¹⁹ The expansion of e-commerce and technology platforms has also increased short-term jobs in logistics and warehouse assistance, particularly during the holiday season.²⁰ IT and coding jobs are popular among young people seeking flexible hours and exposure to various projects. Overall, these jobs offer the opportunity to learn new skills and earn extra income without being bound by traditional office hours, and the boom in gig jobs means there's something for nearly everyone today, whether they prefer working on tech tasks or want to contribute through service-based and creative gigs.²¹

¹⁴ 'Gig Economy in India', Vajiram & Ravi Current Affairs Article <https://vajiramandravi.com/current-affairs/gig-economy-in-india/>

¹⁵ Id.

¹⁶ Sandeep Kaur, 'The Gig Economy and the Evolving Nature of Work in India' (2025) ScienceDirect <https://www.sciencedirect.com/science/article/pii/S2773067025000366>

¹⁷ Id.

¹⁸ MarsDevs, 'How Technology is Powering the Gig Economy Revolution?' (2024) <https://www.marsdevs.com/blogs/how-technology-is-powering-the-gig-economy-revolution>

¹⁹ Id.

²⁰ Id.

²¹ FDA Alauddin, 'The influence of digital platforms on gig workers: A systematic review' (2024) PubMed <https://pubmed.ncbi.nlm.nih.gov/39866413/>

3.3. Benefits of the Gig Economy

The gig economy offers numerous advantages that benefit both workers and employers, particularly when considering flexibility, cost effectiveness, and access to possibilities. Gig labour provides workers with exceptional flexibility and autonomy, allowing them to choose when, where, and how long they work, which is especially beneficial for students, homemakers, and those looking for extra cash.²² This flexibility allows for improved work-life balance and revenue diversification without the limitations of traditional full-time employment.²³

besides that, the gig economy lowers entry barriers by making opportunities available to those without formal qualifications, potentially including marginalized groups and people in underserved areas, while also encouraging entrepreneurial mindsets and skill acquisition in a technology-driven work environment. Hiring gig workers saves businesses money by reducing full-time employee expenses like pay, benefits, and office space. Companies gain agility by growing their personnel in response to demand changes and acquiring specialized expertise on a project basis rather than making long-term commitments.²⁴

This method promotes innovation and diversity by bringing together individuals from various backgrounds and locations, hence increasing organizational responsiveness and efficiency in fast-changing markets.²⁵ However, these advantages are not universal, as participation in the gig economy is strongly reliant on digital literacy and access, highlighting linkages with the digital divide where unequal access to technology and skills can impede equitable participation.²⁶ While gig work creates economic opportunities and encourages digital integration, it also highlights structural inequities in internet access and digital skill development, which can exacerbate discrepancies in labour market inclusion and income.²⁷ As a result, the benefits of the gig economy must be placed within a larger socio-technical context that recognizes both its potential for economic participation and the limitations posed by digital technology.²⁸

²² Tetiana Iechko, 'The Rise of the Gig Economy: Benefits, Drawbacks, and Future Prospects', AB Academies, (2024) <https://www.abacademies.org/articles/the-rise-of-the-gig-economy-benefits-drawbacks-and-future-prospects-17297.html>

²³ Id.

²⁴ Mirela Mourad, 'Gig Economies Living Lab: Bridging Global Divides in Research' (2024) <https://www.cigionline.org/static/documents/DPH-paper-Mourad.pdf>

²⁵ Id.

²⁶ Mark Graham, Isis Hjorth and Vili Lehdonvirta, 'Digital labour and development: impacts of global digital labour platforms and the gig economy on worker livelihoods' (2017) 8 <https://pmc.ncbi.nlm.nih.gov/articles/PMC5518998/>

²⁷ Id.

²⁸ Id.

3.4. Challenges Faced by Gig Workers

Although gig work gives flexibility and the opportunity to earn a quick income, gig workers in India encounter numerous major challenges that highlight underlying disparities. One key issue is a lack of work stability.²⁹ Gig workers do not have consistent employment; their job is solely dependent on the platforms they use, making their earnings uncertain. This volatility makes it difficult for them to plan their finances or rely on gig labour as a consistent source of income.³⁰ Unlike regular employees, gig workers typically do not have access to paid time off, health insurance, or retirement benefits, making them exposed in times of illness or emergency.³¹

Traditional labour laws do not apply to gig workers because there is no official employer-employee relationship. They are frequently labelled as "independent contractors," which denies them legal safeguards such as minimum wage, social security, workplace safety, and protection from unjust dismissal.³² Because of this mismatch, gig workers have difficulty organizing themselves or raising grievances efficiently. They are also subjected to unjust treatment, such as sudden deactivation from platforms for no apparent reason or explanation, which cuts off their source of revenue abruptly and unexpectedly.³³

Many gig workers endure financial volatility since their remuneration varies greatly based on demand, consumer evaluations, or automated judgments made by the platforms. These rating systems can be arbitrary and opaque, penalizing workers unjustly and putting them at risk of suspension. This adds to the growing economic insecurity and stress among gig workers.³⁴

In India, the digital gap exacerbates existing disparities. Not everyone has equal access to cell phones, dependable internet, or digital literacy, which is required to efficiently traverse gig sites. People from marginalized regions, rural locations, and low-income households face higher barriers to entrance into the gig economy.³⁵ Women gig workers frequently face extra

²⁹ Forum for Progressive Gig Workers, 'Rise and Challenges of India's Gig Economy', Drishti IAS (2024) <https://www.drishtiiias.com/daily-updates/daily-news-analysis/rise-and-challenges-of-india-s-gig-economy> accessed 16 September 2025.

³⁰ Id.

³¹ Id.

³² PocketHRMS, 'Gig Economy in India: Meaning, Examples, Challenges', PocketHRMS Blog (2024) <https://www.pockethrms.com/blog/gig-economy-in-india/>

³³ Id.

³⁴ Malavika Rajkumar, 'The Law for Gig-Workers in India', Nyaaya (2022) <https://nyaaya.org/guest-blog/the-law-for-gig-workers-in-india/>

³⁵ 'Gig workers in India: The story of a relentless struggle', The Dialogue Box (2024) <https://thediologuebox.com/the-struggles-of-gig-workers-in-india/> accessed

hurdles, including occupational segregation, safety issues, and gender-based discrimination, which limit both their possibilities and pay.³⁶

While the Indian government has lately acknowledged gig and platform workers through regulations such as the Code on Social Security, 2020, and some states have begun to establish welfare legislation, many protections remain insufficient or poorly administered. Addressing legal and social disparities is crucial for ensuring gig workers receive fair treatment, social security, and opportunity to overcome these discrepancies in a quickly increasing digital labour market.³⁷

3.5. Growth Drivers of the Gig Economy in India

The rise of the gig economy in India is linked to a number of social, economic, and technological trends that have transformed people's perceptions of employment and income options. Each of these drivers has interacted with the others, producing an environment conducive to the growth of gig platforms and flexible employment patterns.

- **Widespread Internet and Smartphone:** Use One of the most fundamental factors driving the expansion of the gig economy in India is widespread access to the internet and cell phones. India has one of the world's largest internet populations, with many people now owning inexpensive cell phones.³⁸ Telecom carriers' low-cost data plans have enabled residents in small towns and rural areas to connect to the internet. This broad digital connectivity enables workers to register on gig platforms, track jobs, and be paid online, which was not previously possible.³⁹
- **Changing Workforce Preferences:** Another significant element is the evolving mindset of young workers. Unlike previous generations, who prioritized job security and stable work, many young Indians now demand flexibility and freedom.⁴⁰ Whether its students looking for part-time employment, homemakers looking for extra money, or full-time professionals looking for side gigs, gig work offers a way to manage personal and professional

³⁶ Id.

³⁷ Naina Bhargava and Madhumita Sharma, 'The Plight of Gig Workers in India', The Wire (2025) <https://m.thewire.in/article/labour/the-plight-of-gig-workers-in-india>

³⁸ Kempe Gowda GN and Manasa H, 'Unlocking India's Gig Workforce Potential through Digital Transformation', 8th International Conference on Economic Growth and Sustainable Development: Emerging Trends, Mysuru, India, (2023) <https://www.sdmimd.ac.in/iec2023/papers/IEC23210.pdf>

³⁹ Id.

⁴⁰ Dhanya MB, 'Gig and Platform Workers: Vision 2047', VV Giri National Labour Institute (2025) <https://www.vvgnli.gov.in/sites/default/files/173-2025%20Dhanya%20MB.pdf>

responsibilities. The attractiveness stems from the ability to work at one's own pace and, in some cases, choose the type of work one wishes to undertake.⁴¹

- **Economic pressures:** India's high unemployment and underemployment rates have also prompted many to seek out gig jobs. Many workers, particularly in urban areas, discover that typical salaried jobs are either unavailable or insufficient to cover escalating costs. The rising cost of living, particularly in major cities, has made gig opportunities appealing as a way to augment household income. For some, gig labour is a temporary solution until they find a secure job, while for others, it is their primary source of income.⁴²
- **Rapid growth in e-commerce:** The growth of e-commerce, food delivery, and digital services has offered a significant boost to gig platforms. With more customers purchasing online for anything from groceries to gadgets, businesses must maintain massive networks of delivery workers, drivers, and service providers. Platforms such as Zomato, Swiggy, and Amazon have expanded significantly in this context, relying on gig workers to meet shifting demand. This demand is not restricted to cities, but has spread to semi-urban and even rural markets, expanding the breadth of gig work.⁴³
- **Start-up Culture & Innovation:** The government's encouragement for entrepreneurship and the start-up ecosystem has fueled the development of new digital work platforms. Initiatives such as Startup India and Digital India have offered young entrepreneurs with financial and regulatory support while they experiment with technology-enabled markets.⁴⁴ As a result, numerous start-ups have developed apps and digital platforms that link gig workers directly to clients, cutting out traditional intermediaries. This innovation has made gig labour more accessible and broadened the spectrum of services available, including ride-hailing, food delivery, home repairs, and professional freelancing.⁴⁵

⁴¹Id.

⁴²Pushpa Suryavanshi, 'India's Booming Gig Economy', SSRN Electronic Journal (2022) https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4267040

⁴³NITI Aayog, 'India's Booming Gig and Platform Economy' NITI Aayog, (2022) https://www.niti.gov.in/sites/default/files/2022-06/25th_June_Final_Report_27062022.pdf

⁴⁴India Briefing, 'Hiring Trends in India 2025: An Overview' (10 September 2025) <https://www.india-briefing.com/news/india-hiring-trends-2025-gig-economy-digital-transformation-drive-growth-39734.html/> accessed

⁴⁵Id.

4. INDIAN LABOUR LAWS IN ADDRESS GIG WORK AND THEIR LEGAL RECOGNITION

Indian labour laws have begun to identify gig workers as a distinct group separate from the old employer-employee paradigm, signalling a significant shift in legal safeguards for this expanding workforce.⁴⁶

*The Code on Social Security, 2020*⁴⁷ is a watershed moment in this context since it clearly includes "*gig workers*" and "*platform workers*" within its scope for the first time. *Section 2(35) of the code*⁴⁸ defines a gig worker as someone who does activities or participates in work arrangements outside of a typical employment relationship, generally via digital platforms. This Code authorizes the Central Government to develop and administer social security systems designed exclusively for such workers, such as accident insurance, health care, maternity benefits, and old-age pensions. To oversee these measures, the Code requires the creation of a National Social Security Board focused on unorganized, gig, and platform workers, entrusted with recommending, monitoring, and analysing welfare programs.⁴⁹

Aside from the central law, certain Indian governments have taken groundbreaking initiatives to protect gig workers' rights at the provincial level. For example, in 2023, Rajasthan passed the *Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023*⁵⁰ which established a welfare board tasked with registering platform-based gig workers and assuring their access to social security benefits. This legislation also establishes a welfare fund, which will be funded in part by a fee on digital platform transactions, with a clear focus on popular gig industries like ride-hailing and food delivery. The Act establishes grievance processes and requires aggregator registration, so providing much-needed statutory recognition and protection.⁵¹

⁴⁶ 'GIG Workers in India: Analyzing the Legal Framework', Lawrbit, (2025)

<https://www.lawrbit.com/article/gig-workers-in-india-analyzing-the-legal-framework/>

⁴⁷ Code on Social Security, 2020, Act No 36 of 2020 (India)

https://labour.gov.in/sites/default/files/ss_code_gazette.pdf

⁴⁸ Code on Social Security, 2020, s 2(34) (India)

⁴⁹ Code on Social Security, 2020, Act No 36 of 2020 (India)

https://labour.gov.in/sites/default/files/ss_code_gazette.pdf

⁵⁰ Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023, Act No 29 of 2023 (Rajasthan)

https://prsindia.org/files/bills_acts/acts_states/rajasthan/2023/Act29of2023Rajasthan.pdf

⁵¹ 'Rajasthan and Karnataka become first states to offer gig workers social security and insurance benefits' Britsafe, (2023) <https://www.britsafe.in/safety-management-news/2023/rajasthan-and-karnataka-become-first-states-to-offer-gig-workers-social-security-and-insurance-benefits>

Similarly, Karnataka has passed the *Karnataka Platform-Based Gig Workers (Social Security and Welfare) Bill, 2024*,⁵² which strengthens gig worker safeguards by providing free life and accident insurance coverage worth several lakh rupees. Karnataka also implemented a state-level Gig Workers Insurance Scheme for workers aged 18 to 60 who do not pay income taxes or receive benefits from regular provident funds or insurance schemes.⁵³

At the central level, initiatives such as the e-Shram site seek to register millions of unorganized sector workers, including gig and platform workers, in order to successfully expand social security coverage. The government's push to integrate gig workers into current healthcare schemes, notably as Ayushman Bharat's PM Jan Arogya Yojana, improves this safety net by offering hospitalization benefits to registered gig workers. These combined measures represent India's unique approach to recognizing the gig economy while preserving the flexibility it provides, avoiding reclassification of gig workers as employees while ensuring they receive social security benefits through contributory welfare schemes funded by both aggregators and the government.

Despite this improved legislative structure, substantial obstacles persist. Gig workers' awareness of their rights and the availability of social security benefits remains low, particularly in small towns and rural areas.⁵⁴ Effective enforcement, consistent registration, and smooth execution of assistance systems remain essential areas for improvement in order to truly bridge the gap between legislation and reality.⁵⁵ Nonetheless, these legal reforms are a significant step forward in addressing the disparities and vulnerabilities experienced by gig workers in India, demonstrating the interplay of technology, labour rights, and social justice in the digital divide era.⁵⁶

Indian courts have recently begun to recognize the unique characteristics and vulnerabilities of gig workers. The case *The Indian Federation of App-Based Transport Workers (IFAT) & Ors v. Union of India & Ors*⁵⁷ involves a petition filed by IFAT for social security benefits for

⁵² Karnataka Platform Based Gig Workers (Social Security and Welfare) Act, 2025, LA Bill No. 31 of 2025 (Karnataka) https://prsindia.org/files/bills_acts/bills_states/karnataka/2025/Bill31of2025KA.pdf

⁵³ *Supra* note 42.

⁵⁴ 'Social security plan for gig workers firmed up', Hindustan Times, (2025)

<https://www.hindustantimes.com/india-news/social-security-plan-for-gig-workers-firmed-up-101744051939974.html>

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ Indian Federation of App Based Transport Workers v Union of India, W.P.(C) 1068/2021

gig workers linked with firms such as Zomato, Swiggy, Ola, and Uber. The main difficulty is the delay in executing the 2020 Code of Social Security,⁵⁸ which aims to expand coverage to unorganized workers, including gig workers. Although the President signed the Code in September 2020, the critical provisions under Chapter IX, which address gig workers' social security, have yet to be drafted.⁵⁹

During the hearing on February 18, 2025, Senior Advocate Dr. S. Muralidhar, representing the petitioners, stated that the 2025 Budget recognized gig workers' rights, but it was unclear if the older Unorganized Workers Social Security Act of 2008⁶⁰ applied to them. Swiggy's counsel said that this was the first occasion the petitioners sought coverage under the 2008 Act, having previously relied entirely on the 2020 Code. The government, represented by Additional Solicitor General Aishwarya Bhati, stated that the guidelines for the 2020 Code are still being developed.

The Supreme Court showed grave unhappiness with the lengthy delay of more than three years in drafting these guidelines, with Justice Dipankar Datta questioning the timeline and Justice Manmohan jokingly noting that only an astrologer could determine when the Code would go into effect. The Court inquired whether the government would allow that gig workers might be covered by the 2008 Act in the meantime. The Supreme Court directed the Union Government to provide an affidavit outlining a specific schedule for developing and implementing rules under the 2020 Code. The case is scheduled for another hearing in two weeks. This case emphasizes the judicial push to assure social security payments for gig workers and accountability for timely rulemaking under the 2020 Social Security Code.⁶¹

The courts in India have also begun recognizing the special status of gig workers. In the **Indian Federation of App-Based Transport Workers (IFAT) v Union of India** case, the Supreme Court acknowledged that gig workers are part of the workforce and should get social security benefits. The Court referred to fundamental rights like the right to equality (Article 14) and the right to life (Article 21) to stress the importance of protecting gig workers from exploitation.

⁵⁸Code on Social Security, 2020, Act No 36 of 2020 (India)

https://labour.gov.in/sites/default/files/ss_code_gazette.pdf

⁵⁹Code on Social Security 2020, No. 36 of 2020, ch IX (India).

⁶⁰Unorganised Workers' Social Security Act 2008, Act No. 33 of 2008 (India).

⁶¹*'Supreme Court Urges Union to Implement 2020 Social Security Code for Gig Workers, Including Zomato, Swiggy, Ola, and Uber'*, Legal Wire (2025) <https://legal-wires.com/buzz/supreme-court-urges-union-to-implement-2020-social-security-code-for-gig-workers-including-zomato-swiggy-ola-and-uber/>

Despite statutory recognition under the Code on Social Security, 2020⁶², gig workers continue to suffer a number of systemic difficulties that jeopardize their rights and livelihoods. One of the most pressing concerns is a lack of employment benefits.⁶³ Because gig workers are not recognized as "employees" under traditional labour laws, they are not eligible for important protections like as paid leave, medical insurance, maternity benefits, provident funds, and pensions, which are available to formal sector workers. This institutional marginalization makes their lives more precarious, especially when they are sick, injured, or elderly.⁶⁴

Furthermore, gig workers face precarious and unpredictable income because their earnings are contingent on the quantity of gigs made available through platforms, which are frequently mediated by algorithms. Such volatile and unpredictable earnings make financial planning and long-term economic stability difficult, trapping many people in cycles of debt and financial fragility.⁶⁵

Another major difficulty is the lack of written job contracts. Many gig workers work without standardized contracts, which could protect their rights.⁶⁶ This renders businesses extremely exposed to exploitative activities, unilateral changes in price and commission by platforms, and leaves them with no legal redress in the event of a dispute. The tremendous control that digital platforms have over data exacerbates this issue.⁶⁷ Platforms constantly capture and abuse workers' personal and performance data, frequently employing rating and ranking systems via opaque algorithms. Workers may suffer unjust penalties or even abrupt deactivation from platforms without appropriate explanation or opportunity for grievance redressal.⁶⁸ The lack of effective data protection frameworks exacerbates their fragile condition, allowing platforms to exert tremendous power over them.

Furthermore, awareness and accessibility are major challenges in the gig economy. Many workers are still unaware of their rights or the social programs that have been implemented to aid them as part of recent laws. Even when they are aware, the digital gap frequently limits

⁶²Code on Social Security, 2020, Act No 36 of 2020 (India)
https://labour.gov.in/sites/default/files/ss_code_gazette.pdf

⁶³ 'Workers Rights in Gig Economy: Legal Framework and Challenges', Manupatra Articles
<https://articles.manupatra.com/article-details/WORKERS-RIGHTS-IN-GIG-ECONOMY-LEGAL-FRAMEWORK-AND-CHALLENGES>

⁶⁴ Id.

⁶⁵ 'Legal Landscape of the Gig Economy in India: Challenges and Implications', Record of Law Naya Legal (2024) <https://recordoflaw.in/legal-landscape-of-the-gig-economy-in-india-challenges-and-implications/>

⁶⁶ 'The Legal Dimensions of Gig Economy in India: Rights of Gig Workers and Regulatory Challenges', (Naya Legal (2024) <https://www.nayalegal.com/the-legal-dimensions-of-gig-economy-in-india-rights-of-gig-workers-and-regulatory-challenges>

⁶⁷ Id.

⁶⁸ Id.

their ability to join, as workers from lower socioeconomic backgrounds struggle to access or manage sophisticated online registration processes.⁶⁹ This technical barrier exacerbates the existing disparities experienced by gig workers, prohibiting them from properly receiving their benefits. Collectively, these problems demonstrate how the promise of flexibility and independence within the gig economy often translates into instability, lack of protections, and systemic disadvantages for workers, consequently exacerbating labour-market disparities in India.⁷⁰

5. DIGITAL DIVIDE AND THE GIG ECONOMY

The rise of the gig economy in India demonstrates both the potential of technology and the significant gaps it generates. Many people now have more flexible job choices thanks to digital platforms, but not everyone benefits equally. Workers in rural areas, women, and underprivileged groups frequently face insufficient internet connectivity, a scarcity of affordable devices, and limited digital skills. These constraints prevent people from joining online platforms or make their involvement sporadic and risky. This digital divide reinforces existing disparities, as those who are already well-off are the first to benefit from technology.⁷¹

Another important problem is the inadequate legal protection provided to gig workers. Most internet platforms treat them as independent contractors, which means they are denied benefits such as minimum salaries, social security, and job security that regular employees receive. Although government programs such as Digital India and BharatNet try to increase access, significant difficulties remain in terms of affordability, awareness, and skills.⁷² In *Anuradha Bhasin v Union of India (2020)*⁷³, the Supreme Court linked internet access to fundamental rights guaranteed by Article 21⁷⁴ of the Constitution, demonstrating that addressing the digital divide is a legal and social obligation as well as a technological one. Bridging this gap is critical for maintaining fairness, dignity, and equitable access to opportunities in the new digital labour market.

⁶⁹ 'Empowering India's Gig Workforce', Drishti IAS (2024) <https://www.drishtiiias.com/daily-updates/daily-news-editorials/empowering-india-s-gig-workforce>

⁷⁰ 'Social Security for Gig Workers', Drishti IAS Daily News Analysis (2024) <https://www.drishtiiias.com/daily-updates/daily-news-analysis/social-security-for-gig-workers>

⁷¹ 'Ministry of Electronics and Information Technology, Government of India, Digital India – Global Roadmap', MeitY website (2024) <https://www.meity.gov.in/static/uploads/2024/02/35-1.pdf>

⁷² 'Press Information Bureau, Government of India', BharatNet: Bridging the Digital Divide (2012) <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2086701>

⁷³ *Anuradha Bhasin v Union of India (2020)* 3 SCC 637

⁷⁴ Constitution of India, art 21.

6. CONCLUSION

The gig economy has transformed the way people work in India, providing flexibility and new options for many, particularly women, young people, and those in informal jobs. However, these benefits have also introduced new obstacles. Most gig workers do not have job security, fair pay, or social protection. Laws such as the Social Security Code of 2020 and the Rajasthan Gig Workers Act of 2023 are good starting points, but much more work still needs to be done to ensure workers are paid fairly. At the same time, millions of individuals are unable to participate in the gig economy due to the digital divide. Lack of internet access, gadgets, and digital skills prevents people from seizing new opportunities and exacerbates existing disparities. Closing the gap requires improved infrastructure, inexpensive technology, and digital literacy.

For the gig economy to actually enhance people's lives, India requires regulations that protect workers' rights, offer social security, and increase digital access. If the government, businesses, and society work together, the gig economy has the potential to be a source of fairness, dignity, and inclusion, in addition to growth. Building such a structure ensures that technology helps everyone, not just a select few.