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GIG LABOUR IN INDIA: OPPORTUNITIES AND CHALLENGES

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1. Introduction

India, with the advent of gig labour, finds the veil over its employment landscape torn down and the future workplace exposed. The evolution of gig labour, which includes temporary, flexible, and freelance employment, has significant implications for workers, businesses, and regulation. Gig labour arises through digital platforms and the gig economy, which provides individuals with access to available employment and poses a problem of job safety, social security, and legal status of labour¹. The spectacular growth of gig labour illustrates how people work differently, from formal employment to a more agile and decentralized model. Thus, Uber, Ola, Swiggy, and Zomato online platforms and freelance websites allow people to work when they want and with whom, selling their labour power and skills². Gig work has evolved its prospects and possibilities, extending beyond the realm of employment and providing economic opportunities for people of all backgrounds, ranging from students and homemakers to retirees. Furthermore, in a setting where formal livelihoods are often prohibitively expensive or inaccessible, the growth of gig labour enables those who were previously on the fringes to join the workforce³.

Nonetheless, gig labour raised probing questions regarding the future of work and the social and economic effects of a new program. The major challenge of gig employment is that it allows for a high degree of dynamism and autonomy but does not have the security and benefits of formal work, resulting in a large number of working portfolios in a financially unstable and possibly exploitative situation⁴. Furthermore, in the gig economy, when platform choice becomes the employee's principal decision and employer, and algorithmic decisions and rating methods reinforce existing inequalities and precarious processes⁵. In this context, a nuanced understanding of the nuances related to gig labour in India must encompass the factors driving its dynamics, its implications, and the regulatory environment impacting it. Policy makers must strive to strike a balance between promoting innovation and economic growth and safeguarding the interests of gig workers by ensuring a level playing field. To that end, comprehensive regulatory regimes and social protection schemes geared towards the peculiar characteristics of the gig economy should be implemented to accommodate the changing needs of workers and promote an inclusive labour market⁶. Taking the factors discussed above into account, this paper aims to critically assess the complexities associated with gig labour in

¹ NITI AAYOG, *Perspectives and Recommendations on the Future of Work India's Booming Gig and Platform Economy*, (2022), https://www.niti.gov.in/sites/default/files/2022-06/25th_June_Final_Report_27062022.pdf (last visited Mar 31, 2024).

² Anvesha Ghosh, Risha Ramachandran & Mubashira Zaidi, *Women Workers in the Gig Economy in India: An Exploratory Study*, OSF.IO (2021), <https://osf.io/preprints/socarxiv/ch8wg> (last visited Mar 31, 2024).

³ Amit Kapoor, *The challenge with gig economy*, THE ECONOMIC TIMES, Aug. 4, 2021, <https://economictimes.indiatimes.com/jobs/the-challenge-with-gig-economy/articleshow/85031089.cms?from=mdr> (last visited Mar 31, 2024).

⁴ Alex J Wood et al., *Good Gig, Bad Gig: Autonomy and Algorithmic Control in the Global Gig Economy*, 33 WORK, EMPLOYMENT AND SOCIETY 56 (2019).

⁵ James Muldoon & Paul Raekstad, *Algorithmic Domination in the Gig Economy*, 22 EUROPEAN JOURNAL OF POLITICAL THEORY (2022), <https://journals.sagepub.com/doi/full/10.1177/14748851221082078>.

⁶ INTERNATIONAL LABOUR ORGANISATION, *Providing adequate and sustainable social protection for workers in the gig and platform economy*, (2023), https://www.ilo.org/wcmsp5/groups/public/---dgreports/---ddg_p/documents/publication/wcms_867535.pdf (last visited Mar 31, 2024).



India⁷. Through an assessment of the opportunities and challenges presented by the gig economy, this paper hopes to provide a more lucid assessment of how the transition can be managed to ensure sustainable and inclusive work practices in the future.



⁷ Baishali Pal, *Rising Popularity in Gig Economy: A Case Study from India*, 3 INTERNATIONAL JOURNAL OF RELIGIOUS AND CULTURAL STUDIES (2021).



2. Rise of Gig Labour

Gig work, which is distinguished by temporary, flexible and freelance work arrangements, has increasingly become prevalent in India due to advances in technology and the rise of the gig economy. Gig work, which refers to short-term projects or tasks done by the worker for the consumer, has transformed the approach to work and employment in society⁸. Multiple factors contributed to this expansion. The first is the dominance of smartphones and internet connections, which enables workers to access a gig platform and match with potential clients quickly. Secondly, the ability of gig-economy platforms to facilitate real-time demand-to-supply matching creates work opportunities for people who value flexibility and independence⁹.

As a result, the gig economy has numerous benefits and drawbacks. To begin, digital platforms, which include app-based companies such as Uber, Ola, Swiggy, Zomato, and several other freelance websites, have been instrumental in the growth of gig labour in India¹⁰. Various gig opportunities are available on these websites, be it ride-hailing, food delivery, writing, graphic design, virtual assistance, and many other services¹¹. In addition, the gig economy has democratized enough work to allow students, housewives, senior citizens, and those seeking additional income to work freely and earn money on their terms.

The gig economy, however, has had its drawbacks. To begin with, gig work is not secure—the vast majority of gig workers lack social benefits and security. Gig workers are not entitled to sick leave, health insurance, leave, or retirement benefits, all of which contribute to

the financial well-being of an individual¹². Second, the entire gig economy is driven by technology, which is based on algorithms. For example, keyword optimization determines a worker's pay and job stability. Furthermore, the rating system encourages workers to compete for admiration rather than working with a sense of duty. This is the most harmful aspect of the entire gig economy¹³. The advent of gig labour in India represents a radical reconfiguration of the way work is structured and performed in the digital era. Gig labour has introduced unparalleled opportunities for economic involvement and autonomy though posing challenges in terms of worker rights, social safety nets, and regulatory architecture. A robust grasp of the gig labour model is needed for lawmakers, corporations, and society at large to navigate this rapidly evolving terrain while ensuring that gig workers are well-equipped to thrive in the digital economy.

3. The Gig Economy's Impact on Employment

Introduction of the gig economy in India has been a game-changer in the employment field since the beginning of the scheme. It offers opportunities and threat for numerous cadre of workers. This section of the paper will elaborate on the influences of gig labour to employment and economies dynamics dividing it to workforce participation, financial independence, and labour market revolution¹⁴. Gig labour precipitated to increased economic opportunities, more so for people who have been deprived and alienated from formal economic engagements. This is demonstrated through the monetization of planning and services by students and house-wife, which increased their participations and economic independence¹⁵. The inclusivity of employment

⁸ Investopedia, *Gig Economy*, INVESTOPEDIA (2024), <https://www.investopedia.com/terms/g/gig-economy.asp#:~:text=The%20gig%20economy%20is%20based> (last visited Mar 31, 2024).

⁹ Paul Oyer, *The gig economy*, IZA WORLD OF LABOR (2020), <https://wol.iza.org/articles/the-gig-economy/long> (last visited Mar 31, 2024).

¹⁰ *Supra* note 1.

¹¹ Emily Gertenbach, *The Best Gig Platforms*, UPWORK (2024), <https://www.upwork.com/resources/best-gig-economy-platforms> (last visited Mar 31, 2024).

¹² Julian Friedland & David B. Balkin, *When Gig Workers Become essential: Leveraging Customer Moral self-awareness beyond COVID-19*, 66 BUSINESS HORIZONS (2022), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9107384/> (last visited Mar 31, 2024).

¹³ *Supra* note 3.

¹⁴ Shumeng Li, *The Gig Economy and Labour Market Dynamics*, 61 ADVANCES IN ECONOMICS MANAGEMENT AND POLITICAL SCIENCES 275 (2023).

¹⁵ *Supra* note 1.



at this level demonstrates how gig labour is democratizing, allowing up to anyone to engage profitably under his or her own terms. was also able to help the workers take advantage of their ability and skills without depending on the traditional middlemen.

Additionally, the flexibility of gig labour has facilitated labour market integration by enabling persons with diverse schedules, preferences, and commitments been able to secure gig-based employment. Unlike classic employment arrangements that feature rigid work hours and pyramidal organisational structures, gig employment gives workers the leeway to work where, when, and as they desire, making it feasible to balance work and lifestyle demands¹⁶. Gig labor has enabled workers to demonstrate their expertise on various areas such as content writing graphic designing and web designing among many others to showcase their ability practically to clients. Virtually, workers who skills who have access to clients without being limited to the geographical restrict¹⁷.

Gig labour has also been faced with the threat and challenges such as job security, income sustainability and socioeconomic protection factor. Gig labourers were unable to get some of the benefits such as health insurance, paid leave and retirement paining the employees at risk of losing their earnings¹⁸. The temporal nature of the gig labour and inadequate of long agreement has also led to income fluctuation, insecurity and uncertainty that unable boosted planning for future¹⁹. Furthermore, use of algorithms and rankings of the gig economy has injected an unprecedented level of uncertainty and insecurity to worker. Labor pay, assigned among many other aspects such as was influenced by factors such as customers

ratings, algorithm and surge process thereby causing scepticism concerns on the platforms' practices and equitableness²⁰.

Thus, gig labour's influence on employment in India is intricate and multifaceted. Although gig work has increased economic growth and promoted workforce cross-pollination, it has highlighted the necessity for holistic policy and regulatory systems to address the issues of job instability, income fluctuation, and social security. India can harness gig work's transformative power by balancing adaptability with worker rights to develop a more comprehensive and resilient workforce.

4. Policy Interventions

Policymakers in India have increasingly recognized the needs to bridge the regulatory gaps and socio-economic challenges due to the rapid growth of gig labour. This section discusses the emerging landscape of policy interventions for fair and inclusive practices in the gig economy, including social security measures, skill development, and regulatory changes. Some of the prominent interventions include a Code on Social Security, 2020 by the Government of India to provide welfare benefits to gig workers and other informal sector workers. It aims to provide access to health insurance, maternity benefits, old-age pension, and various social security schemes, offering gig workers greater economic stability and social protection²¹.

Another intervention is a Draft National Employment Policy and a National Platform for Gig Workers to create a conducive ecosystem for gig workers on skills development and circulation of best practices, grievance redressal and access to finance²². Other

¹⁶ *Supra* note 6.

¹⁷ Razorpay, *The Scope and Challenges of Freelancers in India 2024*, RAZORPAY.COM (2022), <https://razorpay.com/learn/scope-and-challenges-of-freelancers/> (last visited Mar 31, 2024).

¹⁸ *Supra* note 12.

¹⁹ Russell Cropanzano et al., *The organizational psychology of gig work: An integrative conceptual review*, 108 JOURNAL OF APPLIED PSYCHOLOGY (2022), <https://psycnet.apa.org/doi/landing?doi=10.1037%2Fap10001029> (last visited Mar 31, 2024).

²⁰ James Duggan et al., *Algorithmic management and app-work in the gig economy: A research agenda for employment relations and HRM*, 30 HUMAN RESOURCE MANAGEMENT JOURNAL 114 (2019), <https://onlinelibrary.wiley.com/doi/full/10.1111/1748-8583.12258>.

²¹ Gig4U, *Indian Government on Social Security Benefits for Gig Workers*, GIG4U.CO (2023), <https://gig4u.co/blog/indian-government-on-social-security-benefits-for-gig-workers#:~:text=Employees> (last visited Mar 31, 2024).

²² Shiva Rajora, *Govt should create centralised authority for gig workers, says report*, (2024), https://www.business-standard.com/economy/news/govt-should-create-centralised-authority-for-gig-workers-says-report-124032001083_1.html (last visited Mar 31, 2024).



regulatory measures include expanding or overhauling the now existing labour laws or formulating a new regulatory policy to address the unique characteristics of gig labour²³. Measures like the Draft Code on Social Security and the proposed Gig Workers Welfare Boards are likely to promote clearer general and specific directions for responsibilities, increasing accountability and transparency in gig work arrangements²⁴. Finally, collaboration between different government agencies, gig platforms, and civil society organizations is crucial to the creation of a supportive environment for gig labour to flourish. Public-private partnerships can enable the government to develop innovative solutions and best practices from all stakeholders for meeting the needs and concerns of gig workers²⁵.

Together, they will then map the way and prioritize actions to maximize social and economic welfare for gig workers while harnessing the economic potential of the gig economy through dialogue and coordination²⁶. Additionally, initiatives on digital literacy and skill enhancement for gig workers promoting employability and long-term career prospects are critical. Through investments in training and capacity-building programs, policymakers can enable gig workers to pivot to higher-paying opportunities as market needs shift. For instance, the National Skills Development Corporation and Skill India Mission are crucial efforts that help gig workers obtain adequate skills and competencies needed to thrive in the digital economy²⁷. In short, policy interventions are critical to determining the future of gig

labour in India. Policymakers can prepare a supportive gig working environment while protecting gig workers' rights, welfare, and interest by pursuing the inclusive approach of adopting social security, regulatory, and skill development measures. As India continues grappling with gig working complexities, government collaboration with industry and civil society will be critical to ensuring gig labour avails and benefits from inclusive growth for all.

5. Future reflections

The future of gig working abilities in India has vast implications for the future of work, economic growth, and social welfare. Hence, this section reviews gig working potentials and explores the potential suggestions for sustainable development, inclusive growth, and policy innovation. Booming with the advancements in technology and changing consumer preferences, gig labour is expected to play a vital role in India's economy. The ability of the gig economy to adapt and evolve to changing expectations and requirements of the digital age makes it a perfect arena for people to monetize on their skills, abilities, and services in a relatively free and flexible manner²⁸. Additionally, the gig labour option gives impetus to innovation and promotes entrepreneurial spirit in workers and businesses²⁹.

To realize those benefits in full, key stakeholders must join efforts. First, policymakers should design the regulatory frameworks and create the social security measures that will ensure that gig workers' rights and interests are guarded and that gig economy operates on the fair basis³⁰. Second, investments into digitalization, skill development, and financial inclusion are required to give gig workers the tools they need to succeed in the digital age. Finally, collaborations with government, in duets

²³ Andrew Stewart & Jim Stanford, *Regulating work in the gig economy: What are the options?*, 28 THE ECONOMIC AND LABOUR RELATIONS REVIEW 420 (2017).

²⁴ Priya Mangain & Sakina Kapadia, *Gig Basket of Social Security and Welfare*, BAR AND BENCH - INDIAN LEGAL NEWS (2023), <https://www.barandbench.com/law-firms/view-point/gig-basket-of-social-security-and-welfare> (last visited Mar 31, 2024).

²⁵ Thomas Brock, *Public-Private Partnerships*, INVESTOPEDIA (2022), <https://www.investopedia.com/terms/p/public-private-partnerships.asp> (last visited Mar 31, 2024).

²⁶ *Supra* note 1.

²⁷ Biswabhusan Behera & Mamta Gaur, *Skill Training for the Success of the Gig Economy*, 13 JOURNAL OF PHARMACEUTICAL NEGATIVE RESULTS 2835 (2022), https://www.researchgate.net/publication/366272069_Skill_Training_for_the_Success_of_the_Gig_Economy (last visited Mar 31, 2024).

²⁸ NAMITA DATTA, NATNAEL SIMACHEW NIGATU & ALI CARMONA, *Digital pathfinders: The role of youth in the online gig economy*, WORLD BANK BLOGS (2023), <https://blogs.worldbank.org/en/jobs/digital-pathfinders-role-youth-online-gig-economy> (last visited Mar 31, 2024).

²⁹ *Supra* note 1.

³⁰ Whiteshield, *The Gig Economy: A new challenge for policy makers*, WHITESHIELD (2023), <https://whiteshield.com/insights/the-gig-economy-a-new-challenge-for-policy-makers/> (last visited Mar 31, 2024).



with industry, and triads with civil society are vital to setting the stage for gig labour³¹. Such partnerships help to share the knowledge, invest in skills, and foster innovation to achieve sustainable growth and social impact³². Through the dialogue and collaboration, the stakeholders can answer the questions of how to maximize gig labour's benefits for gig workers, businesses, and other parties and how to minimize the challenges linked to organically growing gig labour phenomena³³.

Furthermore, the future of gig labour in India depends on the underlying socio-economic trends and policy drivers. As India aims to achieve its sustainable development goals and build back better from the COVID-19 pandemic, gig labour could serve as a critical enabler of economic recovery, job creation, and poverty alleviation. Indeed, with the right blend of innovation, social responsibility, and inclusive growth, India could leverage the potential of gig labour to transition towards a more equitable and prosperous society for all³⁴. The future outlook for gig labour in India is bright but challenging, marked by opportunities to promote innovation, economic empowerment, and social progress. A combination of policy reform, human capital investment, and collaborative partnerships will ensure India realises the full potential of gig labour to foster a sustainable future of work for generations.

6. Conclusion

The journey of gig labour in India is indicative of a developing and transforming field influenced by advancements in technology, changing attitudes towards work, and economic drivers.

This section summarizes the crucial points from the analysis and highlights the need for coordinated action to promote gig labour's transformative potential while mitigating the issues involving the field. Gig labour has transformed the organisation and experience of work in India and has become a critical pathway to increased economic participation, flexibility, and innovation. The gig economy has offered expanded workforce engagement and inclusion by providing opportunities for all people to access work and monetise their skills and talents³⁵.

However, the proliferation of gig labour also poses essential questions concerning the rights of workers, societal and workplace protection, and an effective governing infrastructure. The gig job's informal and unstable characteristics contribute to job uncertainty, fluctuating profit, and undertaking opportunities, as well as a shortage of grants and compensation mechanisms, rendering gig labour susceptible to economic astonishment and work problems³⁶. Furthermore, as a result of the reliance on algorithms and evaluations, there is a need for clear guidelines, lawful treatment, and responsibility on questions of fairness, lawfulness, discernibility, and oversight of operations in gig platforms³⁷. Policymakers, industrialists, and civil community collaborators must act collectively to introduce a wide spectrum strategy intervention and noteworthy revision to the prevailing governance system to help the gig economy to adopt a well-defined type of equal and social concerns. Similarly, initiatives such as the Social Safety Code, industrial ability promotion, and constitutional collaborations are essential to protect the rights

³¹ Jhajar, *The importance of collaboration between government agencies and industries*. - COBI Jhajar, COBIJHAJJAR.ORG (2023), <https://cobijhajar.org/the-importance-of-collaboration-between-government-agencies-and-industries/> (last visited Mar 31, 2024).

³² Anne-Birgitte Albrechtsen, *Why collaboration will be key to achieving the Sustainable Development Goals*, WORLD ECONOMIC FORUM (2017), <https://www.weforum.org/agenda/2017/01/realising-the-potential-of-cross-sector-partnerships/> (last visited Mar 31, 2024).

³³ Anirudh Jaitly, *Thriving in the gig economy: A guide for enterprises to source and manage gig talent*, THE ECONOMIC TIMES, Sep. 15, 2023, <https://economictimes.indiatimes.com/jobs/hr-policies-trends/thriving-in-the-gig-economy-a-guide-for-enterprises-to-source-and-manage-gig-talent/articleshow/103681571.cms?from=mdr> (last visited Mar 31, 2024).

³⁴ *Supra* note 1.

³⁵ *Ibid*.

³⁶ HANNAH JOHNSTON & CHRIS LAND-KAZLAUSKAS, *Organizing on-demand: Representation, voice, and collective bargaining in the gig economy* CONDITIONS OF WORK AND EMPLOYMENT SERIES No. 94 INWORK, (2019), https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_624286.pdf (last visited Mar 31, 2024).

³⁷ Economic Times, *Can EU's gig worker rules tame management by algorithm?*, THE ECONOMIC TIMES, Mar. 16, 2024, <https://economictimes.indiatimes.com/tech/technology/can-eus-gig-worker-rules-tame-management-by-algorithm/articleshow/108543250.cms?from=mdr> (last visited Mar 31, 2024).



and desires of gig workers and nonprofit development and public security³⁸.

At the same time, countries must maintain provisions to create digital groundwork methods, fiscal encompassment, and public protection for the enhancement and preparation of individuals to produce a prominent part of the economy through digital means³⁹. Concisely, the resilience of gig labourers in India is dependent on how stakeholders resolve the current gig labour market. India has the opportunity to lead the way in producing a gig economy distinguished by sustainable, comprehensive growth and socio-economic prosperity powered by creativity, collaboration, and civic duty.



³⁸ *Supra* note 1.

³⁹ INTERNATIONAL TELECOMMUNICATION UNION AND UNITED NATIONS DEVELOPMENT PROGRAMME, *SDG Digital Acceleration Agenda*, (2023), https://www.undp.org/sites/g/files/zskgke326/files/2023-09/SDG%20Digital%20Acceleration%20Agenda_2.pdf (last visited Mar 31, 2024).