



## ALGORITHMIC WAGE DISCRIMINATION AND THE CODE ON WAGES, 2019: UNMASKING THE LEGISLATIVE SILENCE IN INDIA'S GIG ECONOMY

**AUTHOR** – BHOOMI JAIN, STUDENT AT VIVEKANANDA INSTITUTE OF PROFESSIONAL STUDIES-TECHNICAL CAMPUS, AFFILIATED TO GGSIPU, DELHI

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### **ABSTRACT**

India's gig economy, which was once touted for its flexibility and reach through the digital space, now exposes a deeper structural skew—where labour is regulated not by law, but by algorithm. Platform workers, ranging from delivery agents to service providers, enter digital marketplaces every day with no assured wage, no fixed contract, and no right to dispute the untransparent systems that compute their remunerations. This shift in wage-setting—from human negotiation to algorithmic logic—has ushered in an era of algorithmic wage discrimination, with wages determined by changing formulas on the basis of behaviour, place, and demand, without transparency or accountability.

The regulatory framework has diminished. The Code on Wages, 2020, even as it has consolidated India's wage laws, leaves out gig workers from its protective provisions and is silent about algorithmic regulation. That exclusion is not just statutory—it is constitutional. The paper examines how such algorithmic control is a contravention of the guarantees of equality, livelihood, and autonomy under Articles 14, 19(1)(g), and 21 of the Indian Constitution. It also looks at judicial reactions and recent labour mobilisations as measures of constitutional opposition.

Diluting comparative frameworks such as the EU's AI Act and ILO's advice, the study sets forth a rights-based approach: legislative reforms, algorithmic transparency requirements, collective bargaining rights, and an independent watchful body. In the end, the paper urges us to rethink labour law—with its confrontational equation of power and algorithm, and return of dignity to workers who toil unseen in its code.

### **INTRODUCTION**

When Rohit, a Zomato appointed delivery boy, logs into his delivery app every morning, he isn't greeted by a fixed wage or a predictable schedule, rather he enters a digital marketplace that is governed by algorithm and which decides his earning fate for the day, on the basis of the variables that are opaque. His labour is tracked, rated and priced by a system that offers no explanation and no appeal. Yet, the irony is that our Indian Constitution promises him dignity, equality and the right to livelihood.

The question raised is that where does that constitutional promise go when law stays silent and algorithm speaks louder than justice?

“The term “gig economy” infers to the swapping of labour in lieu of monetary benefits between the individuals or any company through the digital platforms that actively facilitate matching between the providers and customers either on a short-term basis or a payment by task basis” as per the UK government.<sup>81</sup>

<sup>81</sup> Emma Charlton, What Is the Gig Economy and What's the Deal for Gig Workers?, WORLD ECONOMIC FORUM (Nov. 22,



They are not only in focus because they are helpful for the raise of economic standards of the nation but also because of the question that arises from such a situation related to the labour-market policies, consumer and worker protections.

As the market is expanding and the companies at the top of the chain are expanding their business, the challenge arises for the policy makers and officials to balance the innovations regarding creation of jobs and need to ensure that companies do not exploit the workers. Gig-economy companies present a variety of complications for the product market regulations, competition policy etc.

“Algorithmic wage discrimination”<sup>82</sup> is a practice where the individual workers are paid different hourly wages calculated with the ever changing formulas using the granular data about location, demand, supply or any other factor. It is a wage pricing technique, they encompass not only digitalized payment for completed work but also digitalize decisions to allocate the work, which are key drivers of hourly wages and levers of firm control. These methods of pay disparity have been innovated through dramatic changes in cloud computing and machine learning technologies within the last decade.

The rapid expansion of the India’s gig economy has outpaced the evolution of labour law framework. The platform workers such as delivery agents, ride hailing drivers or service providers are governed by opaque algorithms and not by the employment contracts that determine their task allocations, performance ratings etc. Despite having a digital labour model i.e. Code on Wages, 2020, it fails to recognize the gig workers as the employees or regulate algorithmic wage setting mechanisms.

The legislative silence has thus, created a structural imbalance where the platforms

exercise unilateral control over the wages without any accountability and the workers remain excluded from statutory protections like minimum wages or equal remunerations or any grievance redressal.

The research problem thus lies in the absence of legal protections against such algorithmic wage discrimination and the constitutional implications of such exclusion in a labour market that is defined by data driven control

### **HISTORICAL EMERGENCE OF GIG ECONOMY IN INDIA**

The gig economy is a result of the complex response towards the economic liberalisation, technological advancement or structural vulnerabilities in the labour market. The evolution not only shed a light on economic patterns, rather also highlights the transformation as to how the working condition, autonomy and survival are compromised in a rapidly digitalizing society.

#### I. Technological Foundations and Economic Liberalisations

The emergence of internet and the mobile technology had laid down a groundwork for the platform based work wherein over 936 million internet subscribers and 650 million smartphone users<sup>83</sup> covering even the rural India has been connected with each other. The decreasing cost of the smartphones has also attracted everyone towards digital inclusivity enabling the low income groups to participate in the app based work. However, the digital penetration coupled with the economic liberalisation policies had opened the markets to global competition and had encouraged flexible, tech enabled labour models.<sup>84</sup>

#### II. Changing Business Models and Labour Market Dynamics

The trend of gig economy is rooted in the broader transformation of business operations.

2024), <https://www.weforum.org/stories/2024/11/what-gig-economy-workers/> (last visited Oct. 22, 2025).

<sup>82</sup> Zephyr Teachout, Algorithmic Personalized Wages, 51 POL. & SOC’Y 436, 437, 442–44 (2023).

<sup>83</sup> Rise of Gig Economy in India: Changing Employment Landscape.” K.R. Mangalam University, 27 May 2024, <https://www.krmangalam.edu.in/rise-of-gig-economy-in-india/>. Accessed 22 Oct. 2025.

<sup>84</sup> Rise of the Gig Economy in India.” *Drishiti LAS*, 13 Jan. 2023, <https://www.drishitias.com/daily-updates/daily-news-editorials/rise-of-the-gig-economy-in-india>. Accessed 22 Oct. 2025.



As the companies adopts artificial intelligence and the digital platforms to sustain the competition, the traditional employment method is giving way to short term and contract based engagements<sup>85</sup>. The advancement of tech enabled platforms like Swiggy, Ola, Uber, Zomato, Meesho, Nykaa had accelerated the shift, thereby creating a new domain of workers who weren't formally employed but are still an essential to business delivery models.<sup>86</sup>

### III. Demographic Shifts and Economic Necessity

India's largest youth economy bracketed with high unemployment and underemployment has made the family of the gig worker an attractive option for the society<sup>87</sup>. Variety of workers enters this platform to combat situations like that of stagnant wages, rising urban costs or the absence of comprehensive social security.<sup>88</sup> The gig economy acts as a safety net for billions ensuring low barrier entry and flexible hours especially for those who are displaced from salaried jobs or seeking supplementary income. Moonlighting have become a common situation, thus, reflecting the deep economic pressure faced by the workers.<sup>89</sup>

### IV. Pandemic Acceleration and White-Collar Expansion

COVID-19 pandemic in 2020 has a major contribution that catalysed the expansion of gig workers across sectors.<sup>90</sup> Remote workers,

digital payment and flexible arrangements became a mainstream with over 15 million freelancers are now engaged in the technology projects. White-collar gig-workers had also grown that even some organisations states that they have 20% of their workforce.<sup>91</sup> These workers cite flexibility, autonomy and diverse assignments as a key motivation while employers, on the other hand, values cost-effectiveness and access to specialised skills.

### V. Political Economy and Electoral Implications

They are now a significant part of political economy. According to Boston Consulting Group Report, over 90 million potential jobs and \$250 billion in the transactional volume, the sector contribute around 1.25% to India's GDP.<sup>92</sup> They organise and demand better treatment and their collective voice can influence the electoral outcomes.<sup>93</sup> Union leaders warn that persisting neglect could mobilise mass protests reshaping the public discourse and political priorities.

### **UNDERSTANDING ALGORITHMIC WAGE DISCRIMINATION**

While the labour market celebrates the gig economy of India for its flexibility and scale, it has also institutionalised a new form of a labour control i.e. algorithmic wage discrimination. The traditional wage setting mechanism that was usually governed by the collective bargaining or statutory norms, the present day platform based work relies on the opaque algorithms that determines compensation on the basis of the behavioural data, location, reviews, or performance metrics.<sup>94</sup> The systems operate

<sup>85</sup> The Associated Chambers of Commerce and Industry of India (ASSOCHAM). *National Conference on Gig Economy: Aligning Consumer Preferences—The Way Forward*. 24 Jan. 2020, New Delhi, <https://www.assocham.org/uploads/files/1628143386.pdf>. Accessed 22 Oct. 2025.

<sup>86</sup> Joshi, Rakesh. "Rise of the 'Gig' Economy." *Business India*, 9 Aug. 2023, <https://businessindia.co/magazine/cover-feature/rise-of-the-gig-economy>. Accessed 22 Oct. 2025.

<sup>87</sup> Kumar, Anurag, and Radhika Kapoor. "Algorithmic Wage Discrimination in India's Gig Economy: A Legislative Vacuum." *Journal of Policy and Society*, vol. 2, no. 4, 2025, pp. 1–18. ScienceDirect, <https://doi.org/10.1016/j.jpasoc.2025.100036>. Accessed 22 Oct. 2025.

<sup>88</sup> International Labour Organization (ILO). *Platform Workers and Employer-Based Membership Organizations (EBMOs) in India: Report*. 3 Apr. 2023, <https://www.ilo.org>. Accessed 22 Oct. 2025.

<sup>89</sup> Rise of the Gig Economy in India." *Drishiti LAS*, 13 Jan. 2023, <https://www.drishitias.com/daily-updates/daily-news-editorials/rise-of-the-gig-economy-in-india>. Accessed 22 Oct. 2025

<sup>90</sup> The Associated Chambers of Commerce and Industry of India (ASSOCHAM). *National Conference on Gig Economy: Aligning Consumer Preferences—The Way Forward*. 24 Jan. 2020, New Delhi,

<https://www.assocham.org/uploads/files/1628143386.pdf>. Accessed 22 Oct. 2025.

<sup>91</sup> International Labour Organization (ILO). *Platform Workers and Employer-Based Membership Organizations (EBMOs) in India: Report*. 3 Apr. 2023, <https://www.ilo.org>. Accessed 22 Oct. 2025.

<sup>92</sup> International Labour Organization (ILO). *Platform Workers and Employer-Based Membership Organizations (EBMOs) in India: Report*. 3 Apr. 2023, <https://www.ilo.org>. Accessed 22 Oct. 2025.

<sup>93</sup> De Stefano, Valerio. "The Rise of the 'Just-in-Time Workforce': On-Demand Work, Crowd Work and Labour Protection in the 'Gig-Economy'." *Comparative Labor Law & Policy Journal*, vol. 37, no. 3, 2016, pp. 471–504. University of Illinois College of Law. Accessed 22 Oct. 2025.

<sup>94</sup> Dubal, Veena. "On Algorithmic Wage Discrimination." *Columbia Law Review*, vol. 123, no. 7, 2023, pp. 1929, 1932–1935. <https://www.columbialawreview.org/wp-content/uploads/2023/11/Dubal-On-Algorithmic-Wage-discrimination.pdf>. Accessed 22 Oct. 2025.



without any transparency sparing the workers from contesting or even comprehending the logic and stats behind the earnings.

The blurriness isn't incidental rather it is structural. Algorithms not only set the wages but also monitors the behaviour, penalties compliance or withdrawal of incentive without notice. Workers are enslaved to adapt to this shifting metrics, usually without the explanations often resulting in unexpected and fluctuating incomes and psychological strains.<sup>95</sup> This illusion of autonomy is constant through languages like "partner" or "entrepreneur" while the genuineness is that of unilateral control and economic precarity.<sup>96</sup>

In India, the repercussions are quiet severe. Majority of the gig workers bets on podiums for their primary source of income, however, they still remain aloof from social security, minimum wage protections etc.<sup>97</sup> In Karnataka, The Karnataka Platform-Based Gig Workers (Social Security and Welfare) Bill, 2025 is a step forward but the implementation remains uneven and scop limited<sup>98</sup>. Legal vagueness persists to shelter the platforms from accountability by allowing the algorithmic systems to operating laissez-faire<sup>99</sup>

Globally this type of wage setting had been criticised as a rupture in the history of logical wage coordination. This has replaced the collective norms with variable pay thereby

undermining the job stability and mobility<sup>100</sup>. In India, this fissure intersects with existing power structure along the caste, gender or class lines. The European Union's AI Act has classified such system as highly risky, emphasizing on transparency and fairness. India lacks a framework thus, exposing workers to digital exploitation without any remedy<sup>101</sup>.

Support of algorithmic wage discrimination requires more than disclosure. It demands structural reform. The system requires the gig workers to be reclassified as employees mandating an algorithmic accountability and restoring collective bargaining rights. Without such implementations, the gig economy remains arbitrary, risking the gig workers to digital caste system that is tyrannical.

#### **STATUTORY FRAMEWORK: THE CODE ON WAGES, 2020**

The Code on Wages, 2020 is a landmark consolidation on the laws relating to minimum wages but it fails to address the structural substantiality of gig and platform workers, specifically in relation to the algorithmic mechanisms that now governs the wage determination. The legislation was enacted with the idea to streamline the India's scattered wage legislations by consolidating and amending the four major key statutes i.e.

- i. The Minimum Wages Act, 1948
- ii. The Payment of Wages Act, 1936
- iii. The Equal Remuneration Act, 1976
- iv. The Payment of Bonus Act, 1965

The objective of the consolidated statutory provision was to ensure universal wage coverage and remove ambiguities along with promotion of ease of compliance across sectors<sup>102</sup>. Nevertheless, the Code's definitional

<sup>95</sup> Eliane L. Bucher et al., *Pacifying the Algorithm: Anticipatory Compliance in the Face of Algorithmic Management*, 28 *Org.* 44, 50–52 (2021), [Pacifying the algorithm – Anticipatory compliance in the face of algorithmic management in the gig economy](https://doi.org/10.1017/S0022216X21000001)

<sup>96</sup> Sogani, Akshat. "Legal Ambiguities Ensure the Gig Economy Continues to Let Down Indian Workers." *The Wire*, 30 Jan. 2025, <https://thewire.in/labour/legal-ambiguities-ensure-the-gig-economy-continues-to-let-down-indian-workers>. Accessed 24 Oct. 2025.

<sup>97</sup> Krishna, Madhav. "Understanding the Gig Economy in the Age of AI." *Hindustan Times*, 16 May 2024, <https://www.hindustantimes.com/ht-insight/economy/understanding-the-gig-economy-in-the-age-of-ai-101715833514407.html>. Accessed 24 Oct. 2025.

<sup>98</sup> Paliath, Shreehari. "Interview: Gig Work Legislations an Important Starting Point for Labour Protection." *Scroll.in*, 21 Sept. 2025, <https://scroll.in/article/1059910/interview-gig-work-legislations-an-important-starting-point-for-labour-protection>. Accessed 24 Oct. 2025.

<sup>99</sup> Shyamini T. S., and Rejuna C. A. "Ripple Effect of Algorithmic Mechanism: Lessons from Global Gig Work Experience." *International Journal of Social Science and Humanities Research*, vol. 8, no. 5, 2025, pp. 2699, 2702–2703. <https://ijsshr.in/v8i5/Doc/9.pdf>. Accessed 24 Oct. 2025.

<sup>100</sup> Muldoon, James, and Paul Raekstad. "Algorithmic Domination in the Gig Economy." *European Journal of Political Theory*, vol. 22, no. 4, 2023, pp. 587, 590–592. Sage Publications. Accessed 24 Oct. 2025.

<sup>101</sup> European Parliament. *Algorithmic Discrimination under the AI Act and the GDPR*. EPRS\_ATA(2025)769509, 2025, pp. 2–3. European Parliamentary Research Service, [https://www.europarl.europa.eu/RegData/etudes/ATAG/2025/769509/EP\\_RS\\_ATA%282025%29769509\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2025/769509/EP_RS_ATA%282025%29769509_EN.pdf). Accessed 24 Oct. 2025.

<sup>102</sup> Ministry of Labour and Employment, Government of India. *Gazette Notification for Draft Code on Wages (Central) Rules*. 7 July 2020, <https://labour.gov.in/whatsnew/gazette-notification-draft-code-wagescentral-rules-7-july-2020>. Accessed 24 Oct. 2025.



architecture and regulatory scope remain barred to conventional employment relationships, betraying the gig workers.

The Code tends to define “employee”<sup>103</sup> as a person employed on wages in any establishment, but the definition does not cover the gig workers or platform-based labour under its ambit. Consequently, the gig workers who were classified as “independent contractors” or “partners” were straightforwardly excluded from the minimum wage guarantees and wage payment timelines as the code mandates<sup>104</sup>.

The omission is particularly problematic, granting the increasing reliance on algorithmic systems to determine pay in the gig economy. These systems operate on behavioural data, locations and demand-supply dynamics to set wages, often without transparency or accountability.

Furthermore, the Code on Wages doesn't contain any explicit provision addressing algorithmic wage regulation. There are no commands for platforms to discover the logic behind wage setting algorithms, neither there are any mechanism for workers to contest or audit these decisions. Where the labour market is increasingly governed by digital infrastructure, the regulatory silence amounts to structural blind spot. It grants the platforms the leverage to externalise risk, manipulate incentives and enforce compliance through gloomy digital nudges – all without falling predatory of statutory wage norms<sup>105</sup>.

The omission of algorithmic accountability, additionally undermines the code's commitment to equal remuneration. Without any transparency as to how the wages can be calculated, it becomes absurd to detect or

countermeasure discriminatory patterns embedded in the algorithmic systems, whether they are based on gender, caste or geography<sup>106</sup>.

In sum, the Code on Wages 2020 reflects an imagination still rooted in the industrial era employment which fails to acknowledge the algorithmic realities of platform based workers.

### **CONSTITUTIONAL DIMENSIONS AND JUDICIAL RESPONSE TO ALGORITHMIC WAGE DISCRIMINATION**

Algorithmic wage discrimination in India's gig economy presents a constitutional challenge that transcends labour law. As digital platforms progressively deploys non transparent algorithms to determine worker compensation, they also create a regime of economic control that erodes constitutional guarantee of equality, dignity and livelihood. Indian Constitution's “golden-triangle” – Articles 14, 19, and 21 offers a robust framework to interrogate these practices but the judicial and legislative responses remain crumbled.

Article 14<sup>107</sup> guarantees equality before law and protection against arbitrary state and private action. When the platform uses this algorithmic based system that cultivates discriminatory wages outcome based on varied factors, violates the principle of non-arbitrariness. Murkiness of these systems compound the issues as workers can't challenge the basis of their pay<sup>108</sup>. Scholars contend that opacity constitutes a form that is incompatible with the constitutional mandate of fairness and transparency<sup>109</sup>.

<sup>103</sup> Government of India. *Code on Wages, 2019*, No. 29 of 2019, § 2(k). Ministry of Law and Justice, <https://indiankanoon.org/doc/172624250/>. Accessed 24 Oct. 2025.

<sup>104</sup> Rupa, Kumari. “Legal Status of Gig Workers in India: Labour Protections in the Platform Economy.” *The Legal Quorum*, 27 Aug. 2025, <https://thelegalquorum.com/legal-status-of-gig-workers-in-india-labour-protections-in-the-platform-economy-3/>. Accessed 24 Oct. 2025.

<sup>105</sup> Shyamini T. S., and Rejuna C. A. “Ripple Effect of Algorithmic Mechanism: Lessons from Global Gig Work Experience.” *International Journal of Social Science and Humanities Research*, vol. 8, no. 5, 2025, pp. 2699, 2702–2703. <https://ijsshr.in/v8i5/Doc/9.pdf>. Accessed 24 Oct. 2025.

<sup>106</sup> Dubal, Veena. “On Algorithmic Wage Discrimination.” *Columbia Law Review*, vol. 123, no. 7, 2023, pp. 1929, 1935–1937. <https://columbialawreview.org/content/on-algorithmic-wage-discrimination/>. Accessed 24 Oct. 2025.

<sup>107</sup> Government of India. *Constitution of India*, art. 14. Ministry of Law and Justice, <https://indiankanoon.org/doc/367586/>. Accessed 24 Oct. 2025.

<sup>108</sup> DNLU Student Law Journal. “Algorithms, Biases and the Constitution: A Threat to the Golden Triangle.” *DNLU Student Law Journal*, 2025, <https://dnlsjlj.in/algorithms-biases-and-the-constitution-a-threat-to-the-golden-triangle/>. Accessed 24 Oct. 2025.

<sup>109</sup> Lawful Legal. “Algorithmic Discrimination and the Indian Constitution: A New Frontier for Article 14.” *Lawful Legal*, 2025, <https://lawfullegal.in/algorithmic-discrimination-and-the-indian-constitution-a-new-frontier-for-article-14/>. Accessed 24 Oct. 2025.



Article 21<sup>110</sup> guarantees right to life and personal liberty which has expansively interpreted to include right to livelihood and dignifies working conditions. In landmark judgement of *Olga Tellis vs Bombay Municipal Corporation*<sup>111</sup>, SC explicitly held right to livelihood an integral part of right to life. Gig workers whose earnings fluctuates daily based on algorithmic nudges and incentive withdrawals are denied the constitutional protection. The psychological toll of anticipatory compliance with algorithmic commands erodes autonomy and embeds precarity into structure of work<sup>112</sup>.

Article 19(1)(g)<sup>113</sup> guarantees right to practice any profession is also an important right. Platforms claims to offer flexibility but the reality is algorithmic control. Workers are constantly nudged to accept more gigs and are denied transparency in incentive structures. This undermines the freedom to choose and practice a profession with dignity and autonomy<sup>114</sup>.

In *National Federation of Gig Workers Vs Union of India*<sup>115</sup>, SC observed that gig workers cannot be debarred from statutory protections under the disguise of policy discretion. The *Karnataka High Court in AICCTU vs State of Karnataka*<sup>116</sup> upheld the validity of Karnataka Platform Based Gig Workers (Social Security and Welfare) Bill, 2025 thereby, affirming the state constitutional obligation under Article 38 to curtail discrimination in income and status. Despite the endless developments, these legislation inertia persists. The Code on Wages, 2020 doesn't

include gig workers and nor it mandates the algorithmic transparency.

Concludingly, the lack of legislations on algorithmic wage discrimination isn't merely a technological issue rather it is a constitutional crisis. This demands judicial vigilance, legislative reform and algorithmic accountability to ensure that India's gig workers aren't reduced to data points in a profit maximising equation.

### RECENT MOBILIZATION AND THE CONSTITUTIONAL CRISIS OF ALGORITHMIC LABOUR

The recent two incident that underscores the constitutional urgency of addressing algorithmic discrimination and labour precarity in India's gig economy therefore, revealing the structural gaps in Article 14 and 21 of Indian Constitution.

In October 2025, thousands of Swiggy and Zomato delivery workers organised a coordinated strike nagging for higher incentives and transparent pay structures along with safer working conditions. The strike was organized by Rashtriya Karmachari Sena and Indian Federation of App-Based Transport Workers (IFATW), that resulted in disruptions of operations throughout city. The labour cited algorithmic opacity in order allocation and erratic enticement revisions as a violation of their right to livelihood and dignity under Article 21 of Indian Constitution. Omission of procedural safeguards and collective bargaining mechanisms divulge a constitutional vacuum in regulating the digital employment.<sup>117 118 119</sup>

In August 2025, another major women gig worker affiliated with Urban Company

<sup>110</sup> Government of India. *Constitution of India*, art. 21. Ministry of Law and Justice, <https://indiankanoon.org/doc/1218090/>. Accessed 24 Oct. 2025

<sup>111</sup> *Olga Tellis v. Bombay Municipal Corporation*, (1985) 3 SCC 545, at 550–553.

<sup>112</sup> Virtuosity Legal. "Algorithmic Discrimination in India's Legal System: Constitutional Challenges and Policy Reform." *Virtuosity Legal*, 2025, <https://virtuositylegal.com/algorithmic-discrimination-in-indias-legal-system-constitutional-challenges-and-policy-reform/>. Accessed 24 Oct. 2025.

<sup>113</sup> Government of India. *Constitution of India*, art. 19(1)(g). Ministry of Law and Justice, <https://indiankanoon.org/doc/1218090/>. Accessed 24 Oct. 2025

<sup>114</sup> Kumar, S. Harish. "Gig Workers and the Constitution: Redefining Employment Rights in the 21st Century." *Indian Journal of Legal Review*, vol. 5, 2025, pp. 986, 988–990. <https://ijlr.iledu.in/wp-content/uploads/2025/09/V5I1095.pdf>. Accessed 24 Oct. 2025.

<sup>115</sup> *Indian Federation of App-Based Transport Workers (IFAT) v. Union of India*, W.P. (C) 1068/2021, pending before the Supreme Court of India.

<sup>116</sup> *All India Central Council of Trade Unions (AICCTU) v. State of Karnataka*, W.P. No. 8683 of 2025 (GM-RES), decided on 7 Apr. 2025 (Karnataka HC), 2025 KHC 14755. Available at [CaseMine](https://caseMine). Accessed 24 Oct. 2025.

<sup>117</sup> "Swiggy and Zomato Face Disruptions in Mumbai as Delivery Workers Strike for Improved Conditions and Incentives." *Snackfax*, 10 Oct. 2025. <https://snackfax.com/latest/news/swiggy-and-zomato-face-disruptions-in-mumbai-as-delivery-workers-strike-for-improved-conditions-and-incentives/>. Accessed 24 Oct. 2025.

<sup>118</sup> Saha, Soumyajit. "Swiggy, Zomato Operations Hit as Delivery Workers Strike in Mumbai." *The Economic Times*, 10 Oct. 2025. <https://economictimes.indiatimes.com/tech/startups/swiggy-zomato-operations-hit-as-delivery-workers-strike-in-mumbai/articleshow/104289569.cms>. Accessed 24 Oct. 2025.

<sup>119</sup> "Swiggy Delivery Partners Revolt in Mumbai, Refuse to Deliver Food." *Trak.in*, Oct. 2025. <https://trak.in/stories/swiggy-delivery-partners-revolt-in-mumbai-refuse-to-deliver-food/>. Accessed 24 Oct. 2025.



organised a wide range of protests outside its Karnataka headquarters, alleging the exploitative onboarding policies and algorithmic penalties. They strongly demanded implementations of Karnataka Platform Based Gig Workers (Social Security and Welfare) Bill, 2025 but rather were forced to face denied entry and were threatened with criminal charges. The memorandum highlighted a coercive rating system and unrealistic targets raising constitutional concerns regarding Article 14, 21 and 23 of Indian Constitution.<sup>120 121 122</sup>

### **POLICY RECOMMENDATIONS FOR ADDRESSING ALGORITHMIC WAGE DISCRIMINATION IN INDIA'S GIG ECONOMY**

To confront these structural injustices embedded in the algorithmic wage setting, India should embrace certain regulatory frameworks that equalize technological innovation with constitutional accountability. The following recommendations are grounded in comparative jurisprudence, empirical studies and normative constitutional commitments:

- The definitional exclusion of gig workers from Code on Wages sabotages their access to minimum wage protection and wage payment timelines. Lawful amendment must undeniably recognise platform workers as “employees” under wage law, assuring coverage under Section 5–9 of Code<sup>123</sup>
- Platforms must be legally compelled to disclose the logic, variables, and decision pathways used in a wage

setting algorithms. It includes real-time explainability, audit trails and worker access to algorithmic decisions affecting their pay. The EU’s AI Act proposes a model for classifying such payment systems as highly risky and mandating algorithmic accountability<sup>124</sup>

- Gig workers must be granted the right to form unions and negotiate algorithmic parameters. They must also accommodate bargaining over incentive structures, penalty mechanisms and workload distribution<sup>125</sup>.
- Platforms should conduct periodic audits to disclose caste, gender and regional biases in wage setting algorithms. These audits should be published and reviewed by independent bodies, ensuring compliance with Article 15 and 16 of the Constitution<sup>126</sup>
- The impending Digital Personal Data Protection Act must incorporate the provisions for algorithmic governance, specifically where they are used to determine wages. Consent, purpose limitation and fairness must be enforced in wage-related data processing.<sup>127</sup>
- The government should offer tax incentives and preferential procurement status to platforms that must adopt ethical algorithmic practices such as fairness by design, transparency

<sup>120</sup> Firdos, Atiya. “Women Gig Workers Protest, Allege Company Guards Manhandled Them.” *Bangalore Mirror*, 30 Aug. 2025. <https://bangaloremirror.indiatimes.com/bangalore/crime/women-gig-workers-protest-allege-company-guards-manhandled-them/articleshow/123589439.cms>. Accessed 24 Oct. 2025.

<sup>121</sup> The Hindu Bureau. “Women Gig Workers Demand Implementation of New Legislation.” *The Hindu*, 28 Aug. 2025. <https://www.thehindu.com/news/national/karnataka/women-gig-workers-demand-implementation-of-new-legislation/article69984596.ece>. Accessed 24 Oct. 2025

<sup>122</sup> Bhoopesh, N.K. “New Law Floats Hope Among Bengaluru Gig Workers but Platforms May Sink Them.” *Outlook India*, 6 Sept. 2025. <https://www.outlookindia.com/national/new-law-floats-hope-among-bengaluru-gig-workers-but-platforms-may-sink-them>. Accessed 24 Oct. 2025

<sup>123</sup> Ministry of Labour & Employment. *Code on Wages, 2020: Legislative Text and Commentary*. Gazette Notification, Government of India, 2020. [https://labour.gov.in/sites/default/files/Code\\_on\\_Wages\\_2020.pdf](https://labour.gov.in/sites/default/files/Code_on_Wages_2020.pdf). Accessed 24 Oct. 2025.

<sup>124</sup> European Parliament. *Algorithmic Discrimination under the AI Act and the GDPR*, EPRS\_ATA(2025)769509, at 2–3. European Parliamentary Research Service, 2025. [https://www.europarl.europa.eu/RegData/etudes/ATAG/2025/769509/EPRS\\_ATA\(2025\)769509\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2025/769509/EPRS_ATA(2025)769509_EN.pdf). Accessed 24 Oct. 2025.

<sup>125</sup> International Labour Organization. *Recommendation No. 198 on the Employment Relationship*. ILO, 2006. [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_INSTRUMENT\\_ID:312533](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312533). Accessed 24 Oct. 2025.

<sup>126</sup> DNLU Student Law Journal. “Algorithms, Biases and the Constitution: A Threat to the Golden Triangle.” *DNLU Student Law Journal*, 2025. <https://dnluslj.in/algorithms-biases-and-the-constitution-a-threat-to-the-golden-triangle/>. Accessed 24 Oct. 2025.

<sup>127</sup> Ministry of Electronics & Information Technology. *Digital Personal Data Protection Act, 2023*. Government of India, 2023. <https://www.meit.gov.in/content/digital-personal-data-protection-bill-2023>. Accessed 24 Oct. 2025.



modules and worker centric dashboards.<sup>128</sup>

### **CONCLUSION**

India's gig economy architecture, premised on algorithmic control and legislative neglect, has created a labour regime that is efficient, scalable, and deeply unjust. In this paper, the author has tracked the development of algorithmic wage discrimination as not a technical glitch but a structural choice—one that manipulates opacity to withhold from workers transparency, dignity, and constitutional protection. The Code on Wages, 2020, as a consolidation of labour law, is still anchored in industrial-era conceptions of work, leaving platform workers out of its protective framework and unable to regulate the algorithmic platforms that now control their economic destiny.

The constitutional promise of autonomy, livelihood, and equality—guaranteed in Articles 19, 14, and 21—is no ceremonial aspiration but a living one. When gig workers are ruled by unseen code instead of answerable law, that promise is violated. Judicial interventions have already taken steps towards recognition of this violation, but legislative lethargy continues. The latest mobilisations of the Swiggy, Zomato, and Urban Company workers are not discrete protests—it is constitutional performance, claiming notice, transparency, and institutional reform.

This article does not just call for policy adjustments; it calls for a rethinking of labour law around algorithmic accountability, collective bargaining, and constitutional dignity. The gig economy should not become a digital caste system—where workers are monitored, rated, and discarded by code. India is at a legislative fork in the road. To be silent is to sanction exploitation. It is to restore justice—not merely in law, but in the lives of people who toil invisibly, algorithmically, and indispensably.

<sup>128</sup> OECD. *Policy Observatory on AI and Labour Markets*. OECD AI Policy Papers, 2024. <https://oecd.ai/en/policy-papers/ai-labour-markets>. Accessed 24 Oct. 2025.