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## THE IMPACT OF LABOUR ON GIG WORK IN TAMILNADU

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### ABSTRACT:

The necessity for legislative changes to guarantee gig workers equitable treatment and social security has been highlighted by the gig economy's explosive growth in India, especially in Tamil Nadu. This study examines how recent changes to Tamil Nadu's labor laws, such as the creation of the Tamil Nadu Platform-Based Gig Workers' Welfare Board and the expansion of the Tamil Nadu Manual Workers Act to platform-based workers, have affected gig work in the state. These programs seek to alleviate the precarity of platform-based work, legalize the gig economy, and grant access to welfare benefits. The study also looks at state-led initiatives like worker lounges, group insurance plans, and electric scooter subsidies, evaluating how well they improve the livelihoods of gig workers. Notwithstanding these forward-thinking actions, issues with awareness, implementation, and the informal character of gig employment still exist. This study emphasizes how inclusive legal frameworks and ongoing policy innovation are necessary to guarantee the long-term safety and empowerment of gig workers in Tamil Nadu. Legal changes that guarantee gig workers fair treatment, respectable working conditions, and social security are desperately needed, as seen by the gig economy's explosive growth in India, especially in Tamil Nadu. This essay examines how recent changes to Tamil Nadu's labor laws have affected gig work in the state. These changes include the Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act's expansion to include platform-based gig workers and the groundbreaking creation of the Tamil Nadu Platform-Based Gig Workers' Welfare Board. In order to address the inherent precarity and lack of job security in platform-mediated employment, these institutional and legal innovations mark important steps toward the formalization of gig work. They seek to grant access to welfare benefits like health insurance, accidental coverage, and pension plans.

**Key words:** Gig work, gig worker welfare board, group insurance scheme, social security, manual workers.

### INTRODUCTION

Globally, the nature of work is radically altering due to the development of digital platforms, advancements in technology, and shifting employee preferences. One of the most noticeable changes has been the emergence of the gig economy, which is defined by temporary, task-based work that is frequently made possible by internet platforms. The gig economy, which provides millions of people with flexible earning options, has become an

essential part of the urban and semi-urban workforce in India, especially in Tamil Nadu. The legal, economic, and social issues raised by this new employment model, however, have not been promptly addressed by traditional labor regulations. Gig workers, such as home service providers, freelancing professionals, ride-hailing drivers, and food delivery agents, frequently may not have access to traditional labor rights. Social security, health insurance, job stability, and minimum salary guarantees are generally

unavailable to them. Consequently, even though they make a substantial contribution to the economy, many gig workers continue to live in a precarious situation with little options in the event of exploitation, abrupt platform deactivation, or workplace dangers. In recent years, the state of Tamil Nadu has made significant progress in recognizing the need to bring this quickly expanding worker group under institutional and legal frameworks. Known for its progressive social policies and comparatively robust industrial base, Tamil Nadu has emerged as one of the first Indian governments to take aggressive measures to solve the predicament of gig workers through policy and legislative reforms. Platform-based gig workers were included in the Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act, 1982, which was expanded by the state government in 2023. This historic action was taken to give these workers a legal identity and the rights that go along with it, such insurance, welfare registration, and other benefits. This Act's renewal was the first official step toward recognizing gig workers as essential members of the workforce who should have rights and protections, not only as independent contractors or service providers. The state has created the Tamil Nadu Platform-Based Gig Workers Welfare Board to support this legislative change. Creating a registration of gig workers, assisting them in accessing different social security programs, and developing focused welfare programs are the duties assigned to this welfare board. By serving as a liaison between gig workers and the government, the board makes sure that their concerns and demands are fairly heard. For example, in recognition of the occupational dangers that many registered gig workers encounter on a regular basis, the government has created a group insurance plan to cover accidental death and injury. The Tamil Nadu government has also taken a proactive step by offering gig workers subsidies for electric scooters. The state provided 2,000 platform-based service workers with a Rs. 20,000

incentive to assist them buy new electric scooters as part of the 2025–2026 budget. In addition to boosting green transportation, this effort lessens the financial burden on gig workers who depend significantly on their personal automobiles for a living. In addition, the government has suggested creating specific worker lounges in big cities like Chennai and Coimbatore that provide basic amenities, rest places, and charging stations. These lounges are intended to give gig workers a secure and comfortable place to go during their breaks, demonstrating the state's dedication to their well-being. Furthermore, enforcing these rules and plans continues to be a major challenge. There is a chance that the intended benefits won't reach the employees who need them the most if there are insufficient oversight and accountability systems in place. Legal assistance and ongoing supervision are necessary for matters including guaranteeing consistent welfare fund contributions, swiftly resolving complaints, and avoiding algorithmic prejudice or wrongful termination.

### **Overview of a Gig Economy**

Short-term contracts or freelance employment, as opposed to permanent positions, are what define the gig economy. It frequently entails establishing a connection with clients via the internet. For instance, food delivery boys who use apps, consultants, and bloggers. The petitioners have requested that "gig workers" and "app-based workers" be classified as "wageworkers" or "unorganized workers" under Sections 2(m) and 2(n) of the Unorganized Workers Social Welfare Security Act of 2008. Approximately 6% of the global workforce is employed in the gig economy, according to the World Bank. Over half of gig jobs worldwide are motivated by the need for low-skilled, low-paying labor. Of them, just about 30% call for specific knowledge and abilities. Gig economy businesses are responsible for an estimated 56% of new jobs created in India, encompassing both white-collar and blue-collar workers. India is one of the top 10 countries in the Global Gig Economy Index study. Approximately 40% of all



freelancing employment worldwide are offered in India. According to the joint report by FICCI, EY, and NASSCOM on the future of jobs in India, India leads the world in the online labor market with a 24% share.

### Challenges

Gig workers, such as those employed by Swiggy, Zomato, Ola, Uber, and other companies, are not explicitly categorized as "employees" under conventional labor legislation.

Gig and platform workers are recognized by the 2020 Code on Social Security, although many states, including Tamil Nadu, have not yet implemented it.

**Lack of Clarity Regarding Rights and Protections**  
The laws that apply to gig workers are unclear, particularly with relation to:

- Working hours
- Workplace safety
- Grievance redressal mechanisms

Gig workers do not have the right to collective bargaining or union representation.

Algorithms for digital control and surveillance determine how work is distributed, as well as rewards and penalties. As of yet, Tamil Nadu lacks a comprehensive welfare board or program designed especially for gig workers.

A lot of gig workers don't know all of their legal rights or how to exercise them.

Gig workers that are women encounter additional challenges include lack of maternity benefits, harassment, and safety concerns.

Gig workers and platforms should be represented on a state-level gig worker welfare board.

- Establish a grievance redressal system and clear regulations for the Social Security Code.
- Make sure the platform is accountable by using clear algorithms and fair contracts.
- Encourage awareness-raising initiatives and programs for gig workers' digital literacy.
- Launch prototype programs for insurance, pensions, and health care.

## CURRENT LEGISLATIVE FRAMEWORK FOR GIG WORKERS IN TAMIL NADU

### 1. Tamil Nadu Platform-Based Gig Workers Welfare Board

The Tamil Nadu Platform-Based Gig Workers Welfare Board was created by the state government in December 2023 to serve employees of e-commerce businesses, such as online food delivery and taxi aggregators. The board wants to provide more than a million gig workers in the state access to social security benefits.

### 2. Extension of the Tamil Nadu Manual Workers Act to Gig Workers

The Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act, 1982, which went into effect on November 30, 2023, now applies to gig workers. By bringing gig workers' rights into line with those of physical laborers, this extension enables them to take use of the Act's safeguards and protections.

### 3. Budgetary Support and Initiatives

A number of measures to assist gig workers were announced by the Tamil Nadu government in the 2025–2026 Budget. Tax Credit for Electric Vehicles A ₹20,000 incentive for the purchase of new electric scooters for 2,000 internet-based service workers who have registered with the welfare board. Plan for Group Insurance introduction of a group insurance program that will help about 1.5 lakh gig workers by offering benefits for accidental death and disability. The creation of worker lounges with necessary amenities for the convenience of gig workers in major cities like Chennai and Coimbatore.

## THESE ARE FOCUS ON HOW NATIONAL LAWS INTERSECT WITH THE STATES ACTION (AS OF 2024–2025)

### 1. Code on Social Security, 2020 (Central Law)

The central government's enactment has not yet been completely implemented in Tamil Nadu. "Gig workers" and "platform workers" are

now formally recognized by Indian law for the first time.

### Key Features:

In addition to health care, insurance, and maternity benefits, gig workers are also eligible for social security benefits. Advocates for the establishment of a platform and gig economy Social Security Fund. Gives state and federal governments the authority to create plans for these workers

### 2. Unorganised Workers' Social Security Act, 2008

The 2020 Code's predecessor, still in use to some extent. Gig workers may be considered "unorganised workers" in a broad sense, even if the act makes no specific reference to them. Platform-based employment is unclear and lacks enforcement measures.

### 3. Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act, 1982

Status: Current state laws pertaining to unorganized industries such as agriculture and construction. does not specifically mention gig or platform workers. It is inappropriate for gig labor in the digital age because to outdated definitions and frameworks.

### 4. Tamil Nadu State-Level Initiatives (In Progress or Proposed)

Though the state government has expressed interest in researching issues related to the gig economy, Tamil Nadu has not yet established a particular welfare board or legislation for gig workers. There have been talks about establishing a state gig worker welfare board, modeled after programs in Karnataka and Rajasthan.

### 5. E-SHRAM Portal (Central Government)

The ability for gig and platform workers to register for central government aid programs has been put into effect. Nadu, Tamil Nadu Performance: According to worker registration on the e-SHRAM platform, this state ranks among the best. Benefits are dependent on the

implementation and understanding of the scheme; registration does not guarantee them.

### 6. Platform Policies (Private Regulations)

There are companies like Ola, Uber, Zomato, and Swiggy that offer income protection, accident coverage, or voluntary insurance. These vary greatly and have no legal force behind them.

### CONCLUSION

In summary, gig workers' lives have been significantly impacted by Tamil Nadu's changing labor regulations, which signal a move toward greater inclusion, protection, and recognition inside the official workforce. In order to address the vulnerabilities encountered by gig workers, the state has taken significant action by creating welfare boards, implementing social security programs, and guaranteeing access to necessary benefits like insurance and financial help. Their economic stability and working conditions are improved by these legislative and regulatory initiatives, which also serve as a progressive model for other states. The gig economy is headed toward a more secure and equitable future as Tamil Nadu continues to improve and execute labor reforms.

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