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ARE GIG WORKERS REALLY 'FREE'? THE HIDDEN REALITY BEHIND FLEXIBLE WORK IN INDIA

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ABSTRACT

India's gig economy has expanded rapidly, with the workforce growing from 2.5 million in 2011-12 to nearly 7.7 million by 2023, projected to exceed 23 million by 2030. Platform companies market gig work as flexible, autonomous, and empowering a narrative embraced by workers seeking alternatives to rigid formal employment. This paper interrogates that promise of freedom by examining the structural realities of platform-based work in India. Drawing on secondary data, government reports, labour law frameworks, and international fairwork assessments, the study finds that algorithmic management, income volatility, classification as independent contractors, and the absence of enforceable social protections systematically undermine worker autonomy. The flexibility marketed to gig workers operates largely on terms dictated by platforms, locking workers into precarious conditions while shielding companies from statutory employer obligations. The paper concludes that meaningful freedom for gig workers requires regulatory intervention including reclassification frameworks, mandated social security contributions, and collective bargaining rights to rebalance the asymmetry between platform power and worker vulnerability.

Keywords: gig economy, platform work, labour rights, algorithmic control, precarious employment, India

INTRODUCTION

The gig economy promises liberation from the constraints of traditional employment: no fixed hours, no singular boss, and the entrepreneurial thrill of being one's own master. In India, this narrative has found fertile ground. Rapid urbanisation, widespread smartphone penetration, a young demographic bulge, and persistent formal-sector unemployment have driven millions toward platform-based work with companies like Swiggy, Zomato, Ola, Uber, and Urban Company³⁰⁹.

Yet beneath the rhetoric of flexibility lies a more complicated reality. Gig workers in India routinely report algorithmic surveillance,

arbitrary deactivations, income unpredictability, and exclusion from the social protections that formal employees take for granted.³¹⁰ The question this paper investigates is deceptively simple: Are gig workers genuinely free, or does the promise of autonomy mask new forms of control and exploitation?

The stakes are significant. India's gig workforce is projected to grow from 7.7 million in 2023 to over 23.5 million by 2030.³¹¹ How policymakers, platforms, and workers negotiate the terms of this employment model will shape labour markets for decades.

³⁰⁹ Gandhi (2025), p. 1; Koley (2025), p. 1826

³¹⁰ Dey (2023), pp. 3-4.

³¹¹ Negi & Sharma (2025), p. 1.

LITERATURE REVIEW

➤ Defining gig economy

The gig economy refers to labour markets structured around short-term, task-based, or freelance engagements, typically mediated by digital platforms.³¹² Unlike traditional employment relationships characterised by open-ended contracts and employer-provided benefits, gig work is defined by its transactional nature, workers are compensated per task, ride, or delivery rather than for time spent.

Scholars distinguish between crowdwork (tasks performed entirely online, such as data labelling or content moderation) and on-demand work (location-based services like ride-hailing and food delivery).³¹³ In India, the latter dominates public discourse, though both categories share fundamental characteristics: platform intermediation, algorithmic task allocation, and the classification of workers as independent contractors.

➤ The flexibility narrative

Proponents of gig work emphasise its benefits for workers who cannot or prefer not to engage in conventional employment. Flexibility allows caregivers, students, and those with disabilities to earn income on their own schedules.³¹⁴ For migrants and semi-skilled workers, platforms offer entry points into the urban economy without the credentialing barriers of formal employment.

Industry surveys frequently cite worker satisfaction with flexible hours as evidence that the gig model serves mutual interests.³¹⁵ This framing positions platforms as neutral marketplaces connecting willing buyers and sellers of labour.

➤ The precarity critique

A substantial body of research challenges this framing. Critics argue that the flexibility offered to gig workers is asymmetric: platforms retain the power to set prices, modify algorithms, and

terminate access without notice, while workers bear all the risks of income volatility, equipment costs, and lack of benefits.³¹⁶

Fairwork India assessments consistently rate major Indian platforms poorly on fair pay, fair conditions, fair contracts, fair management, and fair representation the five principles of decent platform work.³¹⁷ The 2023 ratings found that no major Indian platform scored above 6 out of 10, with most scoring between 1 and 4.

The concept of "invisible labour" has emerged to describe the unpaid or unrecognised work embedded in gig tasks: waiting time between orders, navigating to pickup locations, managing customer disputes, and toggling between apps to maximise earnings.³¹⁸ This labour is essential to platform operations but excluded from compensation calculations.

➤ Regulatory gaps in India

India's Code on Social Security (2020) represents the first legislative recognition of gig and platform workers, mandating the creation of social security schemes and requiring platforms to contribute to worker welfare funds.³¹⁹ However, implementation has been slow, and the Code's provisions remain largely unenforceable. Crucially, it does not reclassify gig workers as employees, preserving the independent contractor designation that exempts platforms from minimum wage laws, provident fund contributions, and paid leave requirements.

Comparative international research suggests that the independent contractor classification enables platforms to achieve labour cost savings of 20-40% per worker by avoiding statutory obligations.³²⁰ This creates a structural disincentive for formalisation.

THE ARCHITECTURE OF ALGORITHM CONTROL

The freedom promised by gig work is constrained by the technological infrastructure

³¹² Koley (2025), p. 1827.

³¹³ NITI Aayog (2022), p. 12.

³¹⁴ Gandhi (2025), p. 2

³¹⁵ Koley (2025), p. 1832.

³¹⁶ Dey (2023), pp. 4-6

³¹⁷ Fairwork India (2023), pp. 8-15

³¹⁸ Negi & Sharma (2025), pp. 2-3

³¹⁹ Ministry of Labour and Employment (2020), Chapter IX

³²⁰ Dangli (2025), p. 1

through which it operates. Platform algorithms do not merely match supply and demand they actively shape worker behaviour through a system of incentives, penalties, and surveillance that scholars term "algorithmic management."³²¹

➤ **Dynamic practices and surge incentives**

Platforms adjust compensation in real time based on demand, weather, and location. While this is presented as an opportunity for workers to earn more during peak periods, it also means that base rates during normal hours are often insufficient for subsistence.³²² Workers report feeling compelled to chase surge pricing, working long hours in adverse conditions to meet income targets.

➤ **Rating systems and deactivation**

Customer ratings function as a continuous performance review with material consequences. Workers whose ratings fall below platform-determined thresholds face reduced order allocation or outright deactivation often without explanation or appeal.³²³ This creates a disciplinary mechanism more pervasive than traditional workplace supervision, extending control into every customer interaction.

➤ **Gamification and nudges**

Platforms deploy behavioural design techniques, streaks, bonuses for consecutive trips, countdown timers that nudge workers toward longer hours.³²⁴ What appears as voluntary engagement is shaped by interfaces designed to exploit psychological biases around loss aversion and goal completion.

The cumulative effect is a work environment where formal autonomy coexists with substantive control. Workers choose when to log on, but platforms determine the terms under which that choice becomes economically viable.

THE ECONOMICS OF PRECARIETY

➤ **Income volatility**

Gig workers in India report significant income instability. Earnings fluctuate based on platform algorithm changes, seasonal demand, fuel costs, and competition from new workers.³²⁵ Unlike salaried employees who can plan around predictable income, gig workers face constant uncertainty.

A 2023 study found that the majority of Indian gig workers earn below minimum wage when accounting for work-related expenses (fuel, vehicle maintenance, smartphones, data plans) and waiting time between tasks.³²⁶ The absence of expense reimbursement means that workers effectively subsidise platform operations.

➤ **Cost savings of misclassification**

By classifying workers as independent contractors rather than employees, platforms avoid:

- Employer Provident Fund (EPF) contributions: 12% of basic wages
- Employee State Insurance (ESI): Health coverage for low-wage workers
- Paid leave and holidays
- Gratuity and severance obligations
- Minimum wage compliance

These savings compound across millions of workers. Research estimates that formalising gig workers as employees would increase platform labour costs by 20-40%, explaining the industry's resistance to reclassification.³²⁷

➤ **Debt and asset dependency**

Many gig workers, particularly in ride-hailing, purchase or lease vehicles to access platform work. When earnings decline due to algorithm changes or market saturation, workers find themselves locked into debt obligations they cannot escape without continued platform

³²¹ Dey (2023), p. 8

³²² Dang (2025), p. 3

³²³ Negi & Sharma (2025), p. 4

³²⁴ Dey (2023), pp. 8-9

³²⁵ Koley (2025), p. 1834

³²⁶ Dang (2025), p. 4.

³²⁷ Dang (2025), p. 1

engagement.³²⁸ This asset dependency transforms flexible work into a debt trap.

LIMITS OF EXISTING POLICY

➤ The Code on Social Security, 2020

The Code represents progress in formally recognising gig and platform workers as a distinct labour category. It defines "platform work" and "gig workers," mandates the creation of social security funds, and requires platforms to contribute 1-2% of turnover toward worker welfare.³²⁹

However, critical limitations undermine its effectiveness:

1. No reclassification: Workers remain independent contractors, excluded from the protections of the Industrial Disputes Act and other labour legislation.
2. Delayed implementation: State-level rules and welfare schemes remain incomplete years after the Code's passage.
3. Weak enforcement: No dedicated inspectorate or grievance mechanism exists for platform workers.
4. Platform discretion: Contribution rates and benefit structures remain vaguely defined.

➤ Judicial Interventions

Indian courts have yet to deliver definitive rulings on gig worker status comparable to landmark cases in the UK, Spain, and California.³³⁰ The absence of binding precedent leaves workers without clear legal recourse against arbitrary deactivation or wage theft.

➤ Collective Action Challenges

Traditional trade union organising assumes a shared workplace and identifiable employer. Gig workers are atomised, connected to platforms through individual app interfaces rather than collective spaces.³³¹ The algorithmic

mediation of work inhibits the solidarity necessary for collective bargaining, though nascent gig worker unions have emerged in Delhi, Bengaluru, and other cities.

DISCUSSION

The evidence suggests that the freedom promised by gig work is, at best, partial. Workers enjoy flexibility in scheduling but lack control over the terms that make that flexibility meaningful: compensation rates, algorithmic parameters, dispute resolution, and access to social protection.

This is not freedom in any robust sense. It is closer to what labour scholars term "flexible exploitation" a regime where the risks of economic activity are shifted onto workers while platforms capture the benefits of scale, data, and network effects.³³²

The solution is not to abolish gig work, which provides genuine opportunities for many workers, but to rebalance the relationship between platforms and labour. This requires:

1. **Classification reform:** Introducing an intermediate "dependent contractor" category that recognises the economic dependence of gig workers on platforms while preserving operational flexibility.³³³
2. **Algorithmic transparency:** Mandating disclosure of pricing algorithms, rating thresholds, and deactivation criteria.
3. **Portable benefits:** Creating social security mechanisms that follow workers across platforms rather than depending on any single employer relationship.
4. **Collective bargaining rights:** Extending the right to organise and negotiate to gig workers, potentially through sectoral bargaining frameworks.

CONCLUSION

India's gig economy represents both opportunity and exploitation. For millions of

³²⁸ Dey (2023), p. 7.

³²⁹ Ministry of Labour and Employment (2020), Sections 113-114

³³⁰ Negi & Sharma (2025), p. 6.

³³¹ Dey (2023), p. 9

³³² Gandhi (2025), p. 4

³³³ Dangi (2025), p. 6.

workers, platforms offer income, flexibility, and entry into the urban economy. But the freedom they promise is constrained by algorithmic control, income precarity, and systematic exclusion from labour protections.

The question posed by this paper are gig workers really free? admits no simple answer. They are free to log on and log off, but not free from the economic pressures that compel long hours for uncertain pay. They are free from a traditional boss, but subject to algorithmic management that monitors, evaluates, and disciplines without human accountability.

Genuine freedom requires not merely the absence of direct supervision but the presence of meaningful choice, choice backed by income security, social protection, and the power to negotiate terms collectively. Until India's regulatory framework catches up with the realities of platform work, the freedom of gig workers will remain more slogan than substance.

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