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SWIGGY, ZOMATO AND BEYOND: THE LEGAL STATUS OF PLATFORM WORKERS IN INDIA

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ABSTRACT

The rapid expansion of the gig economy has fundamentally altered traditional employment relationships, particularly within India's evolving digital landscape. Platform-based enterprises such as Swiggy and Zomato have generated large-scale, flexible work opportunities by engaging individuals on a task-based model. Despite these advantages, the rise of platform work has raised significant legal concerns regarding the classification, rights, and protection of gig workers.⁷⁶³

This paper examines the legal status of platform workers in India, focusing on whether they can be classified as employees or independent contractors under existing labour laws. It critically analyses the framework established under the Code on Social Security, 2020⁷⁶⁴ and identifies key gaps in its scope and implementation. The study further considers comparative judicial developments, to evaluate emerging global approaches toward gig worker protection.

The paper argues that although Indian law has taken an important step by recognizing gig workers, it fails to provide enforceable and comprehensive rights. It concludes that there is a pressing need for legal reforms that balance the flexibility of platform work with the fundamental principles of labour protection and social security.

KEYWORDS – Gig Economy, Worker Classification, Platform worker, Social Security Regulation

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⁷⁶³ International Labour Organization, *World Employment and Social Outlook: The Role of Digital Labour Platforms* (2021).

⁷⁶⁴ Code on Social Security, No. 36 of 2020 (India).

INTRODUCTION

The rapid advancement of digital technology has transformed labour markets worldwide, giving rise to the gig economy as a prominent mode of employment. In India, platform-based services operated by companies such as Swiggy and Zomato have become integral to urban life, relying on a vast network of delivery partners to provide on-demand services. These workers are typically engaged through digital applications and perform tasks on a flexible, per-delivery basis.

While such arrangements offer accessibility and flexibility, they also challenge the foundations of traditional labour law. Platform workers are generally classified as independent contractors, which excludes them from essential protections such as minimum wages, social security benefits, and job security. At the same time, platforms exercise considerable control over the manner and conditions of work through algorithmic management, performance monitoring, and rating systems. This creates a paradox wherein workers appear independent in form but function under conditions similar to employment.

The legal framework in India, particularly the Code on Social Security, 2020, has attempted to address this emerging category by recognizing gig and platform workers. However, questions remain regarding the adequacy and effectiveness of such measures. The absence of clear judicial interpretation further contributes to uncertainty in determining the true legal status of these workers.

This paper seeks to critically analyse the position of platform workers within Indian labour law, examining the gap between legal classification and practical realities. It argues that the existing framework is insufficient to address the complexities of platform-based work and highlights the need for a more inclusive and adaptive regulatory approach.

RESEARCH QUESTIONS

- Whether platform workers in India can be classified as employees or independent contractors?
- What are the major challenges faced by platform workers in India?
- What reforms are necessary to ensure fair treatment and protection?

OBJECTIVES OF THE STUDY

- To analyse the concept and nature of gig and platform work
- To examine the legal status of workers under Indian labour laws
- To evaluate the effectiveness of the Code on Social Security, 2020
- To identify gaps in protection and suggest reforms

RESEARCH METHODOLOGY

This study adopts a **doctrinal research methodology**, relying on:

- Statutory analysis of labour laws
- Case law analysis, including international precedents
- Secondary sources such as books, journal articles, and reports

LITERATURE REVIEW

The growing prominence of the gig economy has attracted significant academic attention, particularly concerning the legal status and working conditions of platform workers. Scholars have extensively examined the transformation of traditional employment relationships due to the rise of digital labour platforms.

A study by **A.K. Sharma (2025)** observes that the gig economy has redefined labour markets by promoting flexible, task-based employment models. The study highlights that while such arrangements increase employment opportunities and economic participation, they also weaken job security and reduce access to social protection. The absence of a formal employer-employee relationship creates

regulatory challenges, making it difficult to ensure fair wages and worker welfare.⁷⁶⁵

Similarly, a **systematic literature review conducted in 2025** analysing multiple studies on gig workers identifies a fundamental contradiction between perceived flexibility and actual working conditions. The review notes that platform workers often face algorithmic control, performance monitoring, and economic dependency on digital platforms. Despite being classified as independent contractors, their work is structured in a manner that resembles traditional employment, thereby raising questions about their legal classification.⁷⁶⁶

From an Indian perspective, existing research highlights the rapid expansion of gig work alongside significant legal and social vulnerabilities. Studies indicate that gig workers in India frequently experience income instability, lack of social security, and absence of collective bargaining power. Although legislative efforts such as the Code on Social Security, 2020 recognize gig and platform workers, scholars argue that the law fails to provide enforceable rights, leaving workers in a precarious position.⁷⁶⁷

CONCEPT OF GIG AND PLATFORM WORKERS

The gig economy refers to a labour market characterized by short-term, flexible engagements, where individuals perform tasks on a project or on-demand basis rather than under permanent employment.⁷⁶⁸ Workers engaged in such arrangements are commonly referred to as gig workers or platform workers.

The Code on Social Security, 2020 defines gig workers as individuals engaged in work outside traditional employer-employee relationships, and platform workers as those who access work through digital platforms.⁷⁶⁹ While this statutory

recognition is a significant development, it does not equate such workers with employees under labour law.

As a result, gig and platform workers remain excluded from key labour protections such as minimum wages, job security, and social security benefits.⁷⁷⁰ This creates a gap between formal recognition and substantive rights, reflecting the limitations of the current legal framework.

NATURE OF WORK IN PLATFORM-BASED COMPANIES

Platform workers operate through mobile applications that assign tasks, monitor performance, and determine compensation. Their work is characterized by flexible working hours, payment on a per-task basis, and incentive-driven earnings.⁷⁷¹

A defining feature of platform work is **algorithmic management**, where decisions relating to task allocation, pricing, and performance evaluation are controlled by automated systems.⁷⁷² Workers are required to maintain ratings and meet performance benchmarks, failing which they may face penalties or reduced opportunities.

Although these workers are labelled as independent contractors, the level of control exercised by platforms significantly limits their autonomy.⁷⁷³ This indicates that the flexibility offered is often conditional and controlled rather than absolute.

EMPLOYEE VS INDEPENDENT CONTRACTOR DEBATE

The classification of workers traditionally depends on legal tests such as the control test and the integration test.⁷⁷⁴ The control test examines the extent to which the employer directs the manner of work, while the integration

⁷⁶⁵ A.K. Sharma, *The Gig Economy: Growth, Trends and Policy Implications*, 5 J. Lab. Econ. & Dev. Stud. 112 (2025).

⁷⁶⁶ R. Singh & P. Verma, *Gig Economy Workers: A Systematic Literature Review*, 12 Int'l J. Soc. Sci. Res. 45 (2025).

⁷⁶⁷ S. K. Gupta, *'Gig' Workers in India: An Overview*, 8 Indian J. Lab. L. Stud. 78 (2023).

⁷⁶⁸ International Labour Organization, *Non-Standard Employment Around the World* 15 (2016).

⁷⁶⁹ Code on Social Security, No. 36 of 2020, §§ 2(35), 2(60), 2(61) (India).

⁷⁷⁰ NITI Aayog, *India's Booming Gig and Platform Economy* 18 (2022).

⁷⁷¹ International Labour Organization, *World Employment and Social Outlook: The Role of Digital Labour Platforms* 40 (2021).

⁷⁷² Id. at 45.

⁷⁷³ Valerio De Stefano, *The Rise of the "Just-in-Time Workforce"*, 37 Comp. Lab. L. & Pol'y J. 471, 480 (2016).

⁷⁷⁴ Dharangadhara Chem. Works Ltd. v. State of Saurashtra, AIR 1957 SC 264 (India).

test considers whether the worker forms an integral part of the business.

Applying these tests to platform workers reveals that platforms exercise considerable control over working conditions, including pricing, task allocation, and performance monitoring.⁷⁷⁵ At the same time, workers are economically dependent on platforms and form an essential part of their business model.

Despite these characteristics, the absence of formal employment contracts leads to their classification as independent contractors.⁷⁷⁶ This creates a legal grey area where workers function similarly to employees but are denied corresponding rights and protections

LEGAL FRAMEWORK IN INDIA

- ✓ The primary legislation governing gig and platform workers in India is the Code on Social Security, 2020, which represents a significant shift in recognizing non-traditional forms of work arising from the digital economy.⁷⁷⁷ The Code introduces, for the first time, statutory recognition of gig and platform workers as a distinct category within labour law.⁷⁷⁸
- ✓ One of the key features of the Code is the provision for **social security schemes**, including life and disability insurance, health benefits, and old-age protection.⁷⁷⁹ It also introduces **aggregator contributions**, requiring digital platforms to contribute a prescribed percentage of their turnover towards worker welfare funds.⁷⁸⁰ These provisions indicate an attempt to extend welfare measures to previously unregulated sectors.
- ✓ However, despite these progressive elements, the Code suffers from several limitations. It does not guarantee

minimum wages for gig workers, thereby leaving their earnings dependent on fluctuating demand and platform policies.⁷⁸¹ Further, there is no provision ensuring **job security**, allowing platforms to terminate or deactivate workers without procedural safeguards.

- ✓ Another major limitation is the **absence of enforceable rights**. The Code largely enables the government to frame schemes but does not create immediate, legally enforceable entitlements.⁷⁸² Additionally, the implementation of these provisions remains uncertain, with many welfare schemes yet to be fully operationalized.
- ✓ Thus, while the legislation marks an important step toward inclusion, it falls short of providing comprehensive protection to platform workers in India.

JUDICIAL AND COMPARATIVE PERSPECTIVE

The classification of gig workers has been more clearly addressed in international jurisprudence. In **Uber BV v Aslam**, the United Kingdom Supreme Court held that Uber drivers qualify as “workers” entitled to minimum wage and paid leave.⁷⁸³ The Court emphasized that the degree of control exercised by the platform – such as fare determination, contractual terms, and performance monitoring – established a relationship of subordination rather than genuine independence.

This judgment reflects a broader global trend toward recognizing the rights of platform workers and re-evaluating traditional employment classifications.⁷⁸⁴

In contrast, Indian courts have not yet provided a definitive ruling on the legal status of gig workers. The absence of clear judicial precedent has allowed platforms to continue classifying workers as independent contractors, thereby avoiding labour law obligations.⁷⁸⁵ This lack of

⁷⁷⁵ Uber BV v Aslam, [2021] UKSC 5 (U.K.).

⁷⁷⁶ NITI Aayog, supra note 3, at 22.

⁷⁷⁷ Code on Social Security, No. 36 of 2020, pmb. (India).

⁷⁷⁸ Id. §§ 2(35), 2(60), 2(61).

⁷⁷⁹ Id. § 114.

⁷⁸⁰ Id. § 109.

⁷⁸¹ NITI Aayog, *India's Booming Gig and Platform Economy* 18–20 (2022).

⁷⁸² Id. at 25.

⁷⁸³ Uber BV v Aslam, [2021] UKSC 5 (U.K.).

⁷⁸⁴ Valerio De Stefano, *The Rise of the “Just-in-Time Workforce”*, 37 Comp. Lab. L. & Pol’y J. 471 (2016).

⁷⁸⁵ NITI Aayog, supra note 5, at 30.

clarity highlights the need for judicial interpretation to evolve alongside technological developments.

ISSUES FACED BY PLATFORM WORKERS

- Platform workers in India face multiple structural and economic challenges due to their uncertain legal status. One of the primary issues is **income instability**, as earnings depend on demand fluctuations, incentive structures, and algorithmic allocation of work.⁷⁸⁶ This unpredictability often leads to financial insecurity.
- Another major concern is the **lack of social security benefits**. Unlike traditional employees, gig workers are generally excluded from provident fund contributions, health insurance, and pension schemes.⁷⁸⁷ Although some platforms provide limited insurance, these benefits are not standardized or legally enforceable.
- The absence of **job security** further exacerbates worker vulnerability. Platforms have the power to deactivate workers based on ratings or performance metrics without prior notice or an opportunity to be heard, raising concerns of procedural fairness.⁷⁸⁸
- Additionally, platform workers are exposed to **health and safety risks**, particularly in delivery-based services, where long working hours and road accidents are common.⁷⁸⁹
- Finally, the **lack of collective bargaining power** prevents workers from negotiating fair wages and conditions, leaving them dependent on unilateral platform policies.⁷⁹⁰

SUGGESTIONS AND REFORMS

- In light of these challenges, several reforms are necessary to ensure fair treatment of platform workers. Firstly, there is a need for **clear legal classification**. The traditional binary distinction between employee and independent contractor is inadequate, and a hybrid category should be introduced to reflect the realities of platform work.⁷⁹¹
- Secondly, the introduction of **minimum wage guarantees** is essential to ensure income security and prevent exploitation.⁷⁹² Regulatory mechanisms should be established to standardize payment structures across platforms.
- Thirdly, the effective implementation of **social security schemes** under the Code on Social Security, 2020 is crucial.⁷⁹³ This includes ensuring timely contributions by aggregators and proper utilization of welfare funds.
- Further, there is a need to enhance **platform accountability**, including transparency in algorithmic decision-making and protection against arbitrary deactivation.⁷⁹⁴
- Finally, the establishment of a robust **grievance redressal mechanism** will enable workers to challenge unfair practices and seek remedies.⁷⁹⁵
- A balanced regulatory framework is therefore essential to protect workers while preserving the flexibility of the gig economy.

FINDINGS

The present study reveals that platform workers in India occupy a **legally ambiguous and economically vulnerable position**, which existing labour laws have not adequately addressed.

⁷⁸⁶ International Labour Organization, *World Employment and Social Outlook: The Role of Digital Labour Platforms* 45 (2021).

⁷⁸⁷ Id. at 52.

⁷⁸⁸ Id. at 60.

⁷⁸⁹ Id. at 67.

⁷⁹⁰ Id. at 72.

⁷⁹¹ De Stefano, supra note 8, at 490.

⁷⁹² NITI Aayog, supra note 5, at 40.

⁷⁹³ Code on Social Security, 2020, § 114.

⁷⁹⁴ International Labour Organization, supra note 10, at 80.

⁷⁹⁵ Id. at 85.

- ❖ Firstly, there exists a **mismatch between legal classification and practical reality**. Platform companies classify workers as independent contractors, thereby avoiding obligations such as minimum wages, social security, and job security. However, the actual working conditions reflect significant control exercised by platforms through algorithmic management, performance ratings, and incentive structures. This indicates that platform workers function in a manner similar to employees, despite being legally categorized otherwise.
- ❖ Secondly, although the Code on Social Security, 2020 marks a progressive step by formally recognizing gig and platform workers, the study finds that such recognition is largely **symbolic rather than substantive**. The absence of enforceable rights, coupled with delayed implementation of welfare schemes, limits the practical impact of the legislation. As a result, workers continue to remain outside the protective framework of traditional labour laws.
- ❖ Thirdly, the research highlights the **economic dependency of platform workers** on digital platforms. Despite the theoretical flexibility associated with gig work, most workers rely on these platforms as their primary source of income. This dependency reduces their bargaining power and reinforces their vulnerable position, particularly in the absence of collective representation or unionization.
- ❖ Further, the study identifies **income instability and financial insecurity** as key concerns. Earnings are highly unpredictable and dependent on factors such as demand fluctuations, incentive policies, and platform algorithms. In addition, workers often bear operational costs such as fuel, vehicle maintenance, and mobile expenses, which further reduce their net income.
- ❖ Another important finding is the **lack of procedural safeguards**. Platform workers can be removed or “deactivated” from the platform without prior notice or an opportunity to be heard. This absence of due process raises serious concerns regarding fairness and accountability.
- ❖ The study also finds that India lags behind certain international developments, particularly in jurisdictions like the United Kingdom, where courts in cases such as Uber BV v Aslam have recognized gig workers as entitled to certain employment protections. In contrast, Indian jurisprudence has yet to evolve a clear and consistent approach to the classification of platform workers.
- ❖ Finally, the research concludes that the core issue lies in the **inadequacy of the binary classification system** of “employee” and “independent contractor.” Platform workers do not fit neatly into either category, thereby necessitating the development of a **hybrid or intermediate classification** that reflects the realities of modern work arrangements.

CONCLUSION

The rise of platform-based work through companies like Swiggy and Zomato reflects a significant shift in the nature of employment in India. While the gig economy has created new avenues for income and flexibility, it has also blurred the traditional boundaries between employment and independent contracting. This ambiguity has resulted in a situation where platform workers contribute substantially to business operations but remain outside the protective scope of conventional labour laws.

The study highlights that although the Code on Social Security, 2020 marks an important step by recognizing gig and platform workers, it fails to provide enforceable and comprehensive

rights. The absence of minimum wage guarantees, job security, and effective social security mechanisms continues to leave workers in a vulnerable position. Moreover, the lack of clear judicial guidance, especially when compared to developments such as *Uber BV v Aslam*, further deepens the uncertainty surrounding their legal status.

Hence, there is an urgent need for a balanced and evolving legal framework that aligns with the realities of the digital economy. The law must move beyond rigid classifications and adopt a more inclusive approach that ensures both flexibility and protection. Recognizing platform workers not merely in form but in substance is essential to securing their rights and promoting fair and sustainable labour practices in India.

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