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Gig Workers and the Future of Employment Laws in India

:- Manshi Raj

Introduction

In India, gig workers have been rising exponentially in recent times, especially those working on digital platforms such as Swiggy, Zomato, Uber, Ola, Dunzo, Blinkit and Urban Company. People working jobs that do not have fixed employment and work for a short time. This flexibility, however, comes with the costs of no minimum wage, no social security, no insurance, no paid leave, no job security, and so on. ¹As gig economy expands, one question looms large over India's employment laws, must they be amended to protect the gig workers? This blog post talks about the real life challenges of gig workers, real life examples, legal loopholes and how employment laws must look going forward.²

Who Are Gig Workers?

Gig workers are people who make money doing small jobs whenever they want through mobile apps. Most professionals in the gig economy earn on per-transaction basis. However, experts say this may not be the best remuneration model. They love being able to work on their schedule but

¹ The Law for Gig-Workers in India, Nyaaya (Feb. 14, 2022), <https://nyaaya.org/guest-blog/the-law-for-gig-workers-in-india/>.

² Jagmeet Singh, India's Gig Workers Win Legal Status, but Access to Social Security Remains Elusive, TechCrunch (Nov. 25, 2025), <https://techcrunch.com/2025/11/24/indias-gig-workers-win-legal-status-but-access-to-social-security-remains-elusive/>.

it costs some. They are not treated as employees and thus do not receive employee benefits. This causes their income to be unstable and their future to be uncertain.³

Real-Life Problems Faced by Gig Workers

The general public and the employers choose to ignore the many struggles faced by gig workers. They don't earn a stable amount of money as the money that they will make will depend only on how many tasks they do in a day. Many gig workers could not earn during lockdowns, bad weather and app technical issues. Moreover, they have no backup to support themselves. Another big problem is the absence of insurance and medical coverage. If a delivery worker has an accident on the road, the platform often says the worker is a partner, not its employee, and that it is not liable.⁴ In 2022, a Swiggy delivery person died in a mishap in Hyderabad, a real-life instance. His family was unable to get compensation since the company claimed that he was not an employee. The gig economy workers also suffer from sudden "ID blocking" when the company disables the worker's account as a result of complaints from consumers or low ratings without giving them any chance to defend themselves. This is like unfair dismissal, though the law fails to offer them clear protection. Many gig economy workers put in very long hours often exceeding over 12 hours a day, so that they can earn. When it rains heavily, when it's very hot or when conditions are harmful or unsafe, they have to keep working. They have to keep working because otherwise, they would get penalized or lose incentives.⁵

Important Court Case and Global Influence

The 2021 UK Supreme Court ruling about Uber drivers is one notable worldwide case concerning gig workers. The court ruled that Uber drivers are not independent contractors and are "workers" and therefore entitled to minimum wages, paid leave and other basic protections. After this judgment, many global conversations about gig workers' rights started. While Indian

³ Shreehari Paliath, 'Gig Work Legislations Significant In Opening The Space For Labour Protection,' Indiaspend, Sep. 10, 2025, <https://www.indiaspend.com/indiaspend-interviews/gig-work-legislations-significant-in-opening-the-space-for-labour-protection-966392>.

⁴ Bills States, PRS Legislative Research, <https://prsindia.org/bills/states/the-draft-telangana-gig-and-platform-workers-registration-social-security-and-welfare-bill-2025> (last visited Dec. 8, 2025).

⁵ India's Labour Reforms: Simplification, Security, and Sustainable Growth, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2192524> (last visited Dec. 8, 2025).

courts have not made quite that strong of a ruling, it has influenced legal debates in India. If Indian courts apply the same logic, gig workers might soon get more legal protection than ever before.⁶

What Indian Laws Say Right Now

At present, Indian law does not fully cover gig workers. The 2020 Social Security Code is the first legislation to treat gig workers as a distinct category. It suggests advantages such as accident insurance, health coverage, and retirement protection. These protections exist on paper only and not actually due to the non-implementation of law. Because of this, most welfare schemes are still not available for gig workers. Laws that relate to labour and the Companies Act are largely aimed at regular employees and do not provide an unambiguous right to gig workers on issues related to wages, termination or safety.⁷

Why India Must Update Its Laws

As the gig economy is expanding very fast, India needs new employment laws urgently. India might witness the presence of over 7.5 million gig workers by 2025, according to research. These workers are playing a crucial role in our daily lives by providing services like food delivery, transportation, package handling and home services. Urban cities cannot function without gig workers. Nonetheless, they are still one of the most exploited groups in the workforce. Their earnings are unpredictable and often unsafe. In other words, modifying the law has the potential to not just ensure the protection of these workers, but to also help boost the quality and stability of these businesses. When workers are treated fairly, they become motivated to work better and remain committed to business for a longer time periods.⁸

⁶ Jan, Beyond the Algorithm: A New Framework for Gig Workers, Law.asia (Nov. 27, 2025), <https://law.asia/india-gig-worker-protections/>.

⁷ Revitalising Worker's Rights for the Gig Economy, <https://exceed.isb.edu/en/ep/research-perspectives/article/revitalising-worker-s-rights-for-the-gig-economy.html> (last visited Dec. 8, 2025).

⁸ Empowering India's Gig Workforce, Drishti IAS, <https://www.drishtiiias.com/daily-updates/daily-news-editorials/empowering-india-s-gig-workforce> (last visited Dec. 8, 2025).

How India Can Improve the Gig Work System

India can make gig work more equitable, using ‘platform worker’ as a new legal category, as some European countries already do. This grouping will promote flexibility while guaranteeing some basic protections. Gig workers like delivery riders and taxi drivers take on risks on the road every day. Thus, platforms should also offer compulsory accident and health insurance. Another key reform is to introduce minimum earnings guarantees so workers are not left underpaid during slow periods, adverse weather or unforeseen circumstances. Companies must also maintain transparency in the algorithms through which ratings, earnings, and penalties are calculated. If an employee's account is blocked without just cause, he should have the right to appeal. The government can help gig workers more with a social security fund where both the platforms and the government contribute. Money from this fund can be used for pensions, emergency assistance and welfare programs. Gig workers can report unearned treatment through a simple and accessible grievance redressal system.⁹

Conclusion

Gig workers have become a vital cog in India’s digital economy but they lack a robust legal backing. Social Security Code, 2020 recognizes them, but workers have not received them in practical terms. India must develop contemporary labour laws that ensure fairness, safety and dignity without compromising the impetus for innovation. We shouldn’t just protect gig workers from a legal standpoint, but also a social one. A proper legal framework will ensure employee security, help companies establish trust while strengthening India’s economy. The future of employment law must ensure that gig workers are not forgotten and treated with the respect and rights they deserve.

⁹ Laws in India for GIG or Temporary Workers, <https://www.indialawoffices.com/legal-articles/india-laws-and-gig-workers> (last visited Dec. 8, 2025).