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NAVIGATING THE LEGAL LANDSCAPE OF INDIA'S GIG ECONOMY

~ *Yutika Rachh*

The gig economy consists of a labour market that emphasizes flexible, freelance and short-term work engagements. It may be considered as a segment of the service economy wherein workers are self-employed or independent contractors, rather than holding a full-time position at a company. Gig workers are generally paid after completing a series of tasks or an entire project.¹ The wave of rapid digitalization which has overtaken the world in the last decade, acts as a key facilitator of the gig economy. It provides enterprises or even smaller businesses with the tools and platforms required to acquire, manage and sustain operations through an unorganized workforce.

A report by Niti Aayog entitled “India’s Booming Gig and Platform Economy”, states that the gig economy is expected to expand to 2.36 crores in FY 2029-2030 which is approximately 6.7% of the country’s total workforce. This indicates a year-on-year increase of nearly 38% from 1.2 crore gig workers in FY 2024-25.²

People are choosing gig work increasingly due to the flexibility and autonomy it offers. A traditional employment setting defines an employees’ time and manner of working, the independence from this structure is particularly attractive to students, freelancers, unskilled workers and retirees who find themselves juggling multiple responsibilities.³ It allows them to handpick the work they take on so it aligns with their professional goals and interests.

¹ *A Legal Analysis of Gig Workers' Rights in India in the Context of a Globalized Economy*, Indian J.L. & Legal Rsch., <https://www.ijllr.com/post/a-legal-analysis-of-gig-workers-rights-in-india-in-the-context-of-a-globalized-economy>.

² NITI Aayog, *India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work* (2022), https://www.niti.gov.in/sites/default/files/2022-06/25th_June_Final_Report_27062022.pdf.

³ PakkaProfile, *Reasons People Choose Gig Jobs and Types of Gig Jobs*, Medium (n.d.), <https://medium.com/pakkaprofile/reasons-people-choose-gig-jobs-and-type-of-gig-jobs-775429bc57b8>.

Gig working also acts as an impressive source of additional income through part-time jobs. The advent of remote work platforms and online marketplaces has led to a significant expansion in the pool of jobs that can be done through gig working.² From delivery riders to professional assignments like writing, programming and consulting, can all be considered as a part of the gig economy.

Companies often look at gig workers as labour goldmines as from a regulatory perspective they are viewed as independent contractors rather than traditional employees which reduces several obligations. Employers do not have to contribute towards social security provisions such as provident fund, maternity leave, employees' insurance and gratuity.⁴

Most compliance requirements like those to labour codes, employees' hours, minimum wages, paid leaves are also waived off, greatly reducing legal and administrative costs. Since gig workers are not covered in the ambit of these laws, firms can discontinue engagements with them with limited legal complexities of hiring, layoffs and retrenchment. Gig workers also have some or all their own tools like vehicles, equipment, and work resources which again reduces employer liability and costs.

As of November 2025, the Social Security Code came into force and included recognition for gig workers. It mandates a Social Security Fund, with companies and platforms having to contribute 1%-2% of their annual turnover which will be payable to workers "upon government notification"⁵. However, the sluggish implementation and the lack of tangible benefits for gig workers indicates that this fund exists on paper only.

There exists a minimum work threshold of 90 days after which a worker becomes eligible to access the social security benefits under the code. This creates a massive loophole as numerous gig working activities fall below this threshold and there exists no benefit for seasonal or intermittent workers.⁶ The code holds no platform or employer responsible as soon as a worker begins earning from more than one platform simultaneously, but the reality is that gig workers routinely balance work from multiple sources to earn additional income or perform the tasks of their choice.

⁴ Tanmay Satvik, *Code on Social Security, 2020: India's Gig Workers*, LiveLaw (2026), <https://www.livelaw.in/articles/code-on-social-security2020-india-gig-workers-527945>.

⁵ KPMG, *Flash Alert 2026-007: India—Social Security Code and Gig Workers*, KPMG Global Mobility Services (2026), <https://launch.kpmg.com/xx/en/our-insights/gms-flash-alert/2026/flash-alert-2026-007.html>.

⁶ Saurabh Bhatt, *India's Gig Economy Is Growing Faster Than Its Protections*, East Asia Forum (Apr. 9, 2026), <https://eastasiaforum.org/2026/04/09/indias-gig-economy-is-growing-faster-than-its-protections/>.

No matter how theoretical, the introduction of this code has changed the business' stance from mere aggregators to parties responsible for these workers' social security. This created a potential cost and liability burden that some firms may not wish to undertake. There is also the problem of fragmented state-level compliance. Four states: Rajasthan, Karnataka, Bihar and Jharkhand have enacted their own gig worker laws with independent welfare boards and registration. For platforms with national-level operations, a scattered patchwork of obligations comes into play, sometimes differing even from worker to worker due to migration from various states.⁷ Even the lack of a traditional employer-employee relationship does not completely absolve firms of their liability, courts may hold them vicariously liable for third-party acts especially if the worker cannot be expressly said to be an independent contractor.

It seems that every new policy leaves us with more questions than concrete answers. Gig working has always been an intrinsic part of India's workforce, and I believe it is necessary to laud reform that strives for its recognition. Critiques must also be recognised and used as starting points for policy reformulations. We must quite literally trust in this constructive process until we reach some semblance of a just and equitable resolution.

⁷ Shardul Amarchand Mangaldas & Co., *Towards a Regulatory Framework for the Gig Economy: An Analysis of the Telangana Draft Bill and Karnataka Ordinance on Gig and Platform Workers*, Legal 500 (2025), <https://www.legal500.com/developments/press-releases/towards-a-regulatory-framework-for-the-gig-economy-an-analysis-of-the-telangana-draft-bill-and-karnataka-ordinance-on-gig-and-platform-workers/>.

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