



SUSTAINABILITY IN GIG WORK: CONCEPTUAL AND REGULATORY CHALLENGES

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ABSTRACT

Labour market has been transformed with the rise of the gig economy. There are offers like flexible work opportunities, remote working in contrast to the traditional employment structures. This paper has examined the sustainability of gig work by focusing its impact on worker livelihoods. Using a secondary research approach, the literature review explored key aspects of gig work, including income instability, digital labor intermediation, and the absence of formal employment protections. The gig workers experience redacted autonomy, social insecurity, and physical and mental health pressures without the benefits of minimum wages, leaves or other employment paybacks.

The Unorganised Workers' Social Security Act, 2008 (UWSSA, 2008) and the subsequent four labor codes, especially the Code on Social Security, 2020 (CSS, 2020) constitute the legislative framework governing gig work in India. Policy advancements and passing of new labor codes, has not changed the wage scenario for the gig workers as the implementation of the codes is still awaited. As a result, gig workers continue to receive wages without social security benefits and occupational safety protections.

KEY WORDS: Gig economy, Gig Work, Platform work, Labour legislation, Social security, Sustainability.

INTRODUCTION

Decent work and employment are aspirations for almost every individual eligible for employment. Employment opportunities are primarily created in both formal and informal sectors of the economy. During 2019-20, nearly 43.99 crore people were engaged in the unorganized sector, as reported in the *Economic Survey (2021-22)*. The scope of the informal sector is steadily expanding, with many jobs in the formal sector now being replaced by informal roles, making employment conditions increasingly complex.

This shift in the employment landscape is driven by the rise of the gig economy globally, including India. The growing presence and integration of online platforms have significantly contributed to the expansion of the gig economy that offer both short-term and long-term employment opportunities having impact on the employment scenario. Unlike earlier employment models, today's gig work relies heavily on internet-based technological interfaces, by creating flexible and choice-based work opportunities for individuals (Mehta, 2020). Workers within the gig economy perform diverse tasks and services, ranging from healthcare, wellness management, and door-to-door delivery of goods.

These transformations in the labour market raise critical questions about the viability of gig employment. Specifically, how do current legislations and the proposed *Code of Social Security, 2020* offer hope for sustainable employment for gig workers? The research questions addressed in this paper are:

1. How sustainable are the employment transformations induced by the gig economy for the gig workers?
2. What is the scope of coverage for gig workers within the existing legislative framework?

METHODOLOGY

The paper has employed a secondary research approach to analyse the research questions. Relevant articles and related literature have been explored to understand the concept and functional value of gig work, alongside constitutional and legislative safeguards for gig workers. The objectives are as follows:

1. To examine the employment transformations induced by the gig economy and their impact on gig workers.
2. To explore the scope of coverage for gig workers within existing legislative frameworks.

The reviewed literature has been categorized into the following themes:

- Overview of gig work
- Impact of gig work
- Legislative framework for gig workers

LITERATURE REVIEW

A. Overview of Gig Work

The gig economy has garnered significant attention from researchers, reflecting its growing importance in modern labour markets. The Cambridge Dictionary defines it as "a way of working based on people having temporary jobs or doing separate pieces of work, each paid separately, rather than working for an employer." The concept, was expanded by Woodcock and Graham (2019) by describing the gig economy as "labour markets characterized by independent contracting that occurs through, via, and on digital platforms." A notable feature of gig work is its temporary and impermanent nature, where payment is often based on piece rates or hours worked.



As early as 2016, Donovan, Bradley, & Shimabukuro, (2016) considered the gig economy as "the collection of markets that match providers to consumers on a gig or job basis in support of on-demand commerce." In this model, gig workers formalize agreements with on-demand companies to provide services to clients. Services are requested through internet-based platforms or smartphone applications, which enable consumers to search for providers or specify jobs, while providers deliver the requested services and receive compensation.

In India, indicative estimates by NITI Aayog based on 2020-21 national labour force survey data revealed that 7.7 million workers (1.5% of the total workforce) were engaged in the gig economy (*Economic Survey, 2024*). This growth is corroborated by Srivastava (2024), and projected that the magnitude of gig workforce would expand to 23.5 million in the next five years. The perspective is supported by other researchers (Bhardkar et al., 2020; Madan, 2023; Shetty, 2022; Srivastava, 2024) that the scale of the gig economy is rising. According to the *Economic Survey (2024)*, mentions that gig workers include a range of skilled, semi-skilled, and unskilled individuals, including freelancers, online platform workers, and on-call workers.

The International Labour Organization (ILO, 2024) highlighted that the gig work had been in existence since ancient times but the advent of digital platforms, technological intermediation has given new heights to its reach and widened the scope. Labour platforms now act as intermediaries between job seekers and clients requesting services causing a reshaping of conventional service delivery channels. Researchers (Deepika & Madhusoodan, 2022; Woodcock & Graham, 2019; ILO, 2024) classified the workers engaged with online platforms into two categories: crowdsourced or cloud workers and demand-based or geographically tethered workers. The first category comprises of those workers who work from a remote location. These are highly skilled workers perform freelancing or micro-tasking. The second category includes those workers who get work when the need for the work is placed on the platform. These on-demand jobs are performed by unskilled persons at the lower rung. In both cases, work is characterized by short-term contracts and without standard employment conditions which is a new form work based on precarious working conditions, long work hours, undecided wages and instability for the workers.

The rise of the gig economy has been facilitated by several factors. Bharadkar, et. al (2020) considered the high rate of unemployment diverts the job seekers to the gig economy while structural reforms fostered a globalized, liberalized, and privatized world of work by creating a favourable environment for the emergence of gig economy (Mehta, 2020). Other reasons include web-enabled technology and the steady use of smartphones that has momentarily created short-term jobs across various domains even in organised sectors. Shetty, (2022), provided another reason which is the availability of low-skilled jobs within the formal sector which is a better way of seeking employment than those available in the informal economy.

B. Impact of Gig Work

Prassl, 2018 described the intricacies and implications of gig work. He provided the argument that the work performed through gig platforms is often precarious, and low-paid and is controlled by algorithms and rating systems. Flexibility and entrepreneurship are provided by the platform but it does not promise fair treatment and social security to workers. The digital platforms facilitate exchange between the worker and the consumer by matching the tasks according to the skills of the workers. The piece-rate wages is a compensation model followed by the digital platform which is a reminiscent of early merchant capitalism. Stanford (2017) draws parallels between digital intermediation and earlier epochs of capitalism, marked by on-demand work, compensation on piece rate, and a triangular relationship between consumers, intermediaries, and end-users. This triangular relationship in gig work has been elaborated by Deepika and Madhusoodan (2022) as service agreements rather than employment contracts. In this arrangement, employment terms and conditions are ambiguous as the worker is perceived and treated as merely a service provider. The associated risks include income insecurity that depends on platform-controlled allocation of tasks. Workers performing on-demand work are more vulnerable than the crowdsourced workers on account of wages, service frequencies, and prices that are determined entirely by platforms with little autonomy for the workers.

Wage disparities within the gig economy were noted by Banik (2021) which is based on workers' skill levels, while Anwar, Pal, and Hui (2021) contended that platform work perpetuate power asymmetries between customers, workers, and platforms. Anwar, Garcia, and Hui (2024) analysis of the Urban Company's case of social security to its gig workers highlighted that it is based on continuous algorithmic evaluation of the workers performance that allow corporations to distance themselves from employment obligations. Parwez and Khan (2024) focussed on food delivery workers, and described their conditions to be plagued with low wages without social security benefits and with digital control.

Platforms use different strategies for enhancing efficiency like "just-in-time" "scheduling work" and "anytime work" which creates immense pressure on gig workers, impacting their health and disrupting their work-life balance (Bharadkar et al., 2020). Shetty (2022) criticized the terminologies used by platforms like "independent contractors" or "partners" for gig workers, as it denies them employee status. Independent contractors are expected to bring their own tools, exhibit exceptional skills, and are paid per contract completion. Ruyter, Brown, and Burgess (2018) explored the implications of the Fourth Industrial Revolution (4IR) on work. Due to reliance on ICT, the regulation of work would be a challenge that include displacement of unskilled workers by skilled ones, and precarious employment conditions.

The platform work is offloaded with risks and injuries during transportation particularly by delivery personnel. Despite occasional police interventions in cities like Bangalore, workers and their families often lack awareness about insurance coverage and mediclaim procedures, leaving them vulnerable (Bharadkar et al., 2020). Nasreen and Shantanu (2017, 2018)



emphasize the health impacts of delivery work, such as back pain and injuries caused by heavy loads, excessive and rush driving, and tight deadlines. Similarly, during the COVID-19 lockdown, *The Wire* (2022) highlighted that the contactless deliveries exposed workers to health risks due to inadequate safety measures and cash-on-delivery payments.

Nair (2023) analysed the conditions of gig workers in food delivery, ride-hailing, and beauty services, revealing shrinking incomes, health insecurity, and increased control by platforms, which affected job stability of the worker. Surie, 2020, explored the influence of digital platforms like Urban Company and Housejoy in the service sectors like electrical work, plumbing and carpentry by using an ethnographic approach and found that these platforms often ignore local norms and laws for regulating demand and supply, working conditions and wage negotiations by putting themselves at least risk and at most risk for the platform workers. Empirical research (Parwez and Ranjan, 2021; Iqubbal, 2021) highlighted the precarity faced by Indian food delivery workers, particularly during COVID-19. Platforms like Zomato and Swiggy. These companies offer jobs under precarious conditions without social security and consider them as independent contractors.

The challenges of gig workers in India are exemplified by their legal struggles. In 2021, the Indian Federation of App-based Transport Workers (IFAT) filed a Public Interest Litigation (PIL) in the Supreme Court, arguing that service agreements between platforms and gig workers violated Articles 14, 21, and 23 of the Constitution of India, 1950. IFAT demanded that state governments should recognize gig workers as "unorganized workers" under the *Unorganised Workers' Social Welfare Security Act, 2008*, to ensure their inclusion in relevant labour laws. This petition underscored the urgent need for government intervention to regulate labour contracts, balance employee-employer relations, and improve working conditions.

C. Legislative Framework for Gig Workers

In India, labour rights are governed under the Concurrent List of the Constitution, empowering both the central government and state government to draft and implement labour legislations and ensure that the rights of labour are safeguarded. Several fundamental rights specifically to protect the labour force, include:

- Article 14 (Right to Equality)
- Article 15 (Prohibition of Discrimination)
- Article 19 (Right to Form Associations)
- Article 21 (Right to Livelihood)
- Article 23 (Prohibition of Forced Labour and Child Labour)

Besides fundamental rights, the Directive Principles of State Policy (DPSP) further emphasize labour welfare. Articles 39, 42, 43, and 43A entrust the State to take suitable measures for securing livelihood opportunities, ensure wage parity, protect the health and safety and provide social security to the workers.

The Unorganised Worker Social Security Act, 2008: In alignment with constitutional provisions, the Government of India enacted the Unorganised Worker Social Security Act (UWSSA), 2008, aimed at providing social security and welfare

measures for unorganized workers across the country. This act was significant because it introduced official definitions for both the unorganized sector and unorganized workers, filling a longstanding legal gap.

- The unorganized sector is defined as: "*An enterprise owned by individuals or self-employed workers engaged in the production or sale of goods or services, employing fewer than ten workers.*"
- Unorganized workers include: "*Home-based workers, self-employed workers, or wage workers in the unorganized sector, as well as those in the formal sector not covered by existing labour laws.*"

National and State-level Social Security Advisory Boards were created under the Act to oversee worker welfare initiatives, along with worker facilitation centers for information dissemination. It also promoted the registration of unorganized workers and ensured provisions for minimum wages, provident fund, and maternity benefits under relevant labour laws.

Despite its progressive intent, the UWSSA, 2008 lacked an evolutionary framework, that failed to explicitly recognize gig workers within its definition of unorganized labour. To address the changes in the nature of work and emergence of new category of workers, the Indian Parliament introduced four new labour codes with provisions relevant to gig workers. These codes are:

1. Code on Wages, 2019
2. Code on Social Security, 2020
3. Industrial Relations Code, 2020
4. Occupational Safety, Health & Working Conditions Code, 2020

Code on Wages, 2019: This code universalizes wage payments and broadens the definition of a "worker". The code includes in its scope migrant workers, domestic workers, and home-based workers that were not included earlier and with provisions of minimum wages applicable to all types of employees, with periodic revision in its rates based on worker skill levels.

Industrial Relations Code, 2020: This code aims to strengthen employee-employer relations, and enable fixed-term contractual workers to receive statutory benefits equivalent to those of regular employees.

Occupational Safety, Health & Working Conditions (OSH) Code, 2020: The OSH Code mandates annual health check-ups for workers to identify occupational health risks and to improve workplace safety standards.

Code on Social Security, 2020 (CSS, 2020): This code is the most significant legal reform concerning gig workers as it expands social security measures to both organized and unorganized workers, including gig and platform workers. Provisions under this code cover:

- Compensation for injury, disease, and disability
- Provident fund, pension, and gratuity benefits
- Standardization of employment rights for gig workers

With the CSS 2020, legislative framework becomes more inclusive, with potential to revolutionize employment conditions and ensure broader coverage of social security benefits across all worker categories, including those within the gig economy.



ANALYSIS AND DISCUSSION

The gig economy has transformed the global labour market. In India, gig work has grown significantly with millions of workers engaged in platform-based labour. The gig economy is often perceived as an alternative to traditional employment, promising flexibility, autonomy, and entrepreneurial opportunities. It is also argued that technological advancements and platform accessibility have widened employment options, the reality is more complex. Flexibility of gig work comes at a cost of unstable incomes, lack of benefits, and precarious work (Prassl, 2018; Stanford, 2017). The absence of formal employment contracts means that gig workers do not receive minimum wage guarantees, paid leave, or job security protections. Moreover, income insecurity remains a pressing issue, as earnings depend on the frequency of assignments allocated by platforms. Gig work is service-oriented rather than employment-based, making financial stability highly volatile. This platform-provider model ensures that gig workers are treated as service providers rather than employees, limiting their access to employment-related benefits.

The gig economy has also created other concerns like unequal power dynamics evidenced by the case of Urban Company (Anwar, Garcia & Hui, 2024). The corporations leverage algorithmic evaluations to distance themselves from labour responsibilities. Various types of gig workers like food delivery workers, ride-hailing drivers, and service professionals often face unfair working conditions, wage exploitation, and excessive work hours, exacerbating economic vulnerabilities (Parwez & Khan, 2024). Further, the gig work favour skilled remote workers, downgrading low-skilled workers who rely on on-demand labour for survival (Ruyter, Brown, & Burgess, 2018). The expansion of the gig economy therefore raises critical concerns about job security, fair wages, social security benefits, and legislative recognition that questions its long-term sustainability for workers.

The issues are on account of India's legislative framework, which does not recognize gig workers within existing labour laws. The Unorganised Workers' Social Security Act, 2008 (UWSSA, 2008) attempted to address social security concerns, but failed to explicitly include gig workers under its provisions. Some welfare measures were introduced by the Act but its limited scope and static definitions created legal ambiguities regarding gig employment. Recently passed four new labour codes aim to expand protections for informal and gig workers. Most notably, the Code on Social Security, 2020 (CSS, 2020) has acknowledged gig workers by granting access to provident funds, pension schemes, injury compensation, and maternity benefits.

The Codes on Wages, 2019 and the Industrial Relations Code, 2020 extend standard compensation to previously excluded categories of workers and allows statutory benefits to fixed-term contractual workers respectively. The issues concerning job security and contract renewals for gig workers remains unsolved and the IFAT case (2021), where Indian Federation of App-based Transport Workers has petitioned in the Supreme Court is a testimony of non-recognition of gig workers under constitutional labour protections. The fourth Code on

Occupational Safety, Health & Working Conditions, 2020 aim to better the workplace standards by addressing occupational risks faced by workers mostly in delivery segment. Vulnerabilities on account of lack insurance coverage, accidents, injuries, financial crises and the absence of structured workplace protections could be appropriately answered through this code.

These codes provide a promising shift toward inclusivity, they need to be converted into an Act so that the workers can reap benefits without which, compliance by digital platforms and integration of gig work into existing labour laws cannot be envisaged. The sustainability in gig work is therefore contingent upon balancing market expansion and worker protections. Government policies, labour union movements, and judicial interventions. All together will play a crucial role in shaping a sustainable gig economy that values fair treatment, equitable pay, and worker well-being. Policymakers can address the issue of sustainability in gig work by addressing three key challenges:

1. The accountability of platforms should be enforced by regulating fairness in wage, job security, and working conditions.
2. The gig workers should be included into universal social security schemes without any exclusion criterion.
3. The gig workers ability to collective bargain should be strengthened by allowing them to unionize, negotiate contracts, and demand better employment rights.

LIMITATIONS

The article has relied on existing literature and data as it focussed on secondary research. It is a good approach to understand trends and issues, but lack benchmark evidence about workers' experiences at national and international level. The primary data could have facilitated in doing a comparative analysis of various employment, compensation and legislative framework practices at regional, national and global level. It could have widened the analysis and provide a level for understanding India's policies.

Risks related to health and poor employment conditions of gig workers are highlighted but indepth understanding are required to understand the types of health issues faced by them so that specific interventions could be developed to address occupational hazards. The issue related to labour unions and collective bargaining has been dealt sketchily. A more detailed examination of organizing efforts by gig workers and their effectiveness in addressing precarity could have strengthened the analysis. The impact of emerging technologies, computational procedures like automation on gig work is mentioned briefly. It could be expanded to understand their long-term implications for job stability and worker rights. Acknowledging and addressing these limitations could pave the way for future research and enhance the scope of the article.

CONCLUSION

Employment dynamics have been reshaped by the gig work. The new job opportunities are created yet the employment induced vulnerabilities have also increased. The economic



impact of gig work is undeniable, but legal protections are not comprehensive. The existing labour legislations including the Unorganised Workers' Social Security Act, 2008 exclude the gig workers from the category of labour. The CSS, 2020 and other labour codes are positive steps and a hope toward inclusivity, but without being enforced as an Act, they are a cold promise with the burgeoning labour force that has been entering the gig economy. Till then gig work cannot be considered sustainable employment as disempowered workers continue to follow unstructured wage policies without social security.

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