

## RECOGNITION OF GIG WORKERS IN INDIA: A COMPARATIVE STUDY OF LEGAL RIGHTS BEFORE AND AFTER 2020

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### Abstract :

*The gig economy has reshaped labor markets globally, offering flexibility but raising concerns over worker rights and social security. In India, gig workers have historically existed in a legal grey area, classified as independent contractors rather than employees, thereby lacking access to minimum wages, job security, and social benefits. This study examines the legal recognition of gig workers in India before and after 2020, focusing on the impact of the Code on Social Security, 2020, and subsequent policy developments. A comparative analysis with global regulations, highlights India's slow implementation and weaker enforcement mechanisms. Despite formal recognition, challenges such as corporate resistance, lack of enforcement, and absence of collective bargaining persist. This research, based on secondary data, underscores the need for stronger regulatory oversight, clearer worker classification rules, and improved social security measures to ensure fair working conditions for gig workers in India.*

**Keywords:** *Gig economy, gig workers, labor laws, Code on Social Security 2020, platform economy, social security.*

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### Introduction:

The gig economy has transformed the nature of work in India, offering flexibility and opportunities for independent workers. However, the legal recognition of gig workers has long been a debated issue. Before 2020, gig workers were not classified as employees under labor laws, leading to a lack of job security, social security benefits, and bargaining power. With the introduction of the **Code on Social Security, 2020**, and state-level reforms like the **Rajasthan Platform-Based Gig Workers Act, 2023**, the legal landscape for gig workers has started to change.

This study aims to compare the legal rights of gig workers in India before and after 2020, analyzing how these reforms have impacted their work conditions, access to social security, and overall employment status. Using secondary data from government reports, industry studies, and academic research, this

research will explore whether the new legal provisions effectively address the challenges faced by gig workers or if gaps still remain in their implementation.

### Objectives:

1. To examine the legal status of gig workers in India before and after the implementation of the Code on Social Security, 2020.
2. To analyze the impact of recent labor reforms on the rights and social security benefits available to gig workers.
3. To identify the challenges in implementing legal protections for gig workers in India, including corporate resistance, enforcement gaps, and lack of worker representation.
4. To recommend policy measures for strengthening worker protections, ensuring better enforcement,

and improving social security mechanisms for gig workers.

### Research Methodology:

This study adopts a **comparative analysis approach** using **secondary data** to examine the legal recognition of gig workers in India before and after 2020. The research relies on existing literature, legal documents, government reports, and industry analyses to evaluate the evolution of gig worker rights.

### 1. Research Approach

A **qualitative, secondary data-based comparative study** is conducted to assess how legal protections for gig workers have changed over time. The study does not involve primary data collection but instead focuses on analyzing existing sources to identify patterns, gaps, and the impact of legal reforms.

### 2. Data Collection Sources

This research relies on the following sources:

- The **Code on Social Security, 2020** (Government of India)
- The **Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023**
- Reports by the **Ministry of Labour and Employment, India**
- Supreme Court and High Court judgments on gig worker cases
- NITI Aayog's report on gig and platform workers in India
- International Labour Organization (ILO) reports on gig worker rights
- Studies on labor law reforms and gig worker protections

### 3. Data Analysis Method:

A **comparative analysis** of legal rights before and after 2020 will be conducted.

The study will use **thematic analysis** to categorize key themes such as **legal recognition, social security, employment rights, and implementation challenges**.

A **table-based comparison** will highlight the key differences in gig worker rights **before and after 2020**.

- 4. Limitations:** The study focuses on **India's legal framework** and does not cover primary data from gig workers. Since implementation of labor codes is still pending, assessing their actual impact remains a challenge.

### Literature Review:

The gig economy has reshaped labor markets, providing flexibility and income opportunities. However, gig workers often lack legal recognition and essential rights, particularly in developing economies like India. This review examines the evolution of gig work, its legal challenges, and recent reforms.

### 1. Evolution of the Gig Economy and Worker Rights:

The gig economy, characterized by short-term, platform-based work, has expanded significantly. While offering flexibility, it lacks job security. Scholars argue that platforms exercise significant control over workers, challenging the notion of independent contracting. In India, gig workers have traditionally existed in a legal grey area since labor laws only recognized employees and self-employed individuals. Platforms like Uber, Ola, and Swiggy classified workers as independent contractors, denying them benefits such as minimum wages and social security. Before 2020, there were no specific legal protections, leading to exploitative conditions. The NITI Aayog Report (2019) acknowledged the growing gig workforce but did not propose concrete legal reforms.

**2. Legal Challenges Before 2020:** Before the Code on Social Security, 2020, gig workers in India had no formal legal status. Companies avoided labor regulations, resulting in unpredictable earnings and a lack of grievance redressal. In contrast, developed economies started recognizing gig worker rights. The UK Supreme Court (2021) ruled that Uber drivers were "workers," granting them minimum wage and holiday pay. Similarly, California's AB5 law (2019) classified many gig workers as employees, though it faced corporate pushback.

Indian courts, however, mostly ruled in favor of platforms, reinforcing the independent contractor model. The lack of unionization further weakened gig workers' ability to negotiate better terms.

**3. Social Security Code, 2020:** The **Social Security Code (SSC), 2020**, was India's first attempt to legally recognize gig workers. It defines gig workers as a distinct category entitled to social security benefits. The law proposes a welfare fund, mandatory contributions from aggregators, and accident insurance for gig workers. It also allows state governments to frame schemes for gig and platform workers, providing a framework for future protections.

However, the **SSC, 2020**, does not classify gig workers as employees, limiting their rights compared to global standards. Unlike the UK and EU, where gig workers have secured employee-

like protections, India's approach remains welfare-oriented rather than regulatory.

**4. Post-2020 Legal Reforms and Their Limitations:** Following the **SSC, 2020**, some states have attempted to enhance gig worker protections. Rajasthan introduced the **Rajasthan Platform-Based Gig Workers Act (2023)**, creating a dedicated welfare board. However, the long-term effectiveness of these initiatives remains uncertain.

Implementation challenges persist. Reports indicate that labor codes remain largely unenforced, preventing gig workers from accessing promised benefits. Many platforms continue to resist stricter regulations, arguing that increased compliance costs could disrupt the gig economy.

**5. Challenges in Legal Enforcement and Future Directions:** Despite reforms, legal protections for gig workers remain weak. Key challenges include delayed implementation, corporate resistance due to increased costs, and lack of unionization, making it difficult for gig workers to bargain collectively.

Studies comparing India's approach to global best practices suggest that stronger enforcement mechanisms, clearer worker classification rules, and government-led social security initiatives are necessary to ensure gig workers receive adequate protections (ILO, 2023).

### Comparative Analysis: Legal Rights of Gig Workers in India Before and After 2020

This section presents a comparative analysis of gig workers' legal status before and after 2020, highlighting key changes in recognition, social security, employment rights, and legal enforcement.

#### 1. Legal Recognition

Aspect	Before 2020	After 2020
Legal Status	Gig workers were not classified under any labor law.	Recognized under the Code on Social Security, 2020 as "gig and platform workers."



Aspect	Before 2020	After 2020
Employment Category	Considered independent contractors, not employees.	Still not classified as employees but acknowledged as a separate category.
Government Role	No official framework to regulate gig work.	Government introduced social security provisions but no full employee status.

### 2. Social Security and Benefits

Aspect	Before 2020	After 2020
Provident Fund (PF)	Not available.	No mandatory PF, but companies may contribute to a welfare fund.
Health & Insurance	No health insurance or accident coverage.	Platforms offer some insurance, and state laws like Rajasthan's Gig Workers Act (2023) propose welfare funds.
Unemployment Benefits	No benefits in case of job loss or platform deactivation.	No formal unemployment benefits, but new labor codes suggest partial protections.

### 3. Employment Rights and Working Conditions

Aspect	Before 2020	After 2020
Minimum Wage	No guaranteed minimum wage; earnings depended on platform incentives.	Still no minimum wage guarantee, but discussion on fair pay has begun.
Work Hours & Overtime	No limit on work hours; workers had to work long hours to earn enough.	No work-hour regulation, but courts have started hearing cases on worker exploitation.
Job Security	Gig workers could be deactivated from platforms without notice.	Platforms still control access, but state-level laws (like in Rajasthan) propose grievance redressal.

### 4. Collective Bargaining and Worker Rights

Aspect	Before 2020	After 2020
Right to Unionize	No legal recognition of gig worker unions.	No formal union rights yet, but worker collectives are growing.
Dispute Resolution	No legal mechanism to challenge unfair treatment.	Rajasthan's Gig Workers Welfare Board (2023) aims to resolve disputes.

### 5. Implementation Challenges

Despite legal recognition, enforcement remains a major challenge:

Challenge	Before 2020	After 2020
Law Enforcement	No applicable labor law to protect gig workers.	Labor codes exist but are not fully implemented yet.

Challenge	Before 2020	After 2020
Awareness Among Workers	Gig workers were unaware of legal protections.	Many still do not know their rights due to lack of outreach.
Corporate Resistance	Platforms strongly opposed worker classification.	Companies continue to resist stricter regulations, delaying reforms.

Source- [fortuneindia.com](https://fortuneindia.com); [journals.sagepub.com](https://journals.sagepub.com); [aarambhlegal.com](https://aarambhlegal.com)

## Findings of the Study

### 1. Legal Recognition Improved After 2020 but Remains Limited:

The introduction of the Code on Social Security, 2020, marked the first legal recognition of gig workers in India. However, unlike in the UK and EU, where gig workers have secured employment-like benefits, India's laws still classify them as independent contractors, limiting their access to job security and fair wages.

### 2. Slow Implementation of Labor Reforms:

Despite the legal framework, enforcement remains weak. The delayed implementation of the labor codes has resulted in gig workers not receiving the intended social security benefits. Unlike in California (USA), where stricter classification laws were introduced through AB5, India's reforms remain largely on paper.

### 3. Lack of Collective Bargaining and Worker Representation:

Unlike in the UK and EU, where worker unions have successfully negotiated for better wages and benefits, gig workers in India lack strong union representation. This weakens their ability to demand fair work conditions and negotiate pay structures.

### 4. Corporate Resistance to Worker Protections:

Platform-based companies in India continue to lobby against stricter labor regulations, arguing that gig work offers flexibility and should not be

subject to traditional employment laws. This is similar to the resistance seen in the USA, where companies like Uber and Lyft campaigned against AB5 legislation to avoid reclassifying workers as employees.

### 5. Limited Social Security and Welfare Benefits:

Unlike in some European countries where gig workers receive government-mandated social security benefits, Indian gig workers still lack universal access to healthcare, insurance, and pension schemes. The Rajasthan Platform-Based Gig Workers Act, 2023, is a step forward, but its long-term impact remains uncertain.

### 6. Judicial Uncertainty and Regulatory Gaps:

Courts in India have not provided clear rulings on gig worker classification, leading to inconsistent legal interpretations. In contrast, the UK Supreme Court ruling in 2021 recognized Uber drivers as "workers," granting them access to minimum wages and holiday pay.

### 7. Comparative Analysis Shows India Lags Behind Global Best Practices:

While India has taken initial steps in recognizing gig workers, the country lags behind nations that have **enforced** worker protections. Stronger regulatory enforcement, better social security policies, and clearer worker classification rules are needed to align India with international labor standards.

**Recommendations:**
**1. Stronger Implementation of the Social Security Code, 2020**

The Social Security Code, 2020 must be fully enforced to ensure gig workers receive benefits such as health insurance, pension schemes, and accident coverage.

The government should set clear deadlines for state governments to roll out welfare schemes.

**2. Mandatory Platform Contributions**

Platforms such as Uber, Swiggy, and Ola should be mandated to contribute a fixed percentage of their revenue toward gig worker welfare.

A national gig worker fund can be established to distribute benefits equitably.

**3. Worker Classification Reforms**

India can consider a hybrid worker category (like in the UK) that grants gig workers some employment rights while retaining flexibility.

Clearer legal definitions of gig workers are needed to avoid companies exploiting classification loopholes.

**4. State-Level Reforms**

Following Rajasthan's Platform-Based Gig Workers Act (2023), other states should introduce similar legislation tailored to local gig economies. State welfare boards can ensure effective fund utilization and grievance redressal.

**5. Enhancing Collective Bargaining & Unionization**

Gig worker associations and unions should be promoted to strengthen negotiation power.

Policymakers can facilitate tripartite dialogues (government, platforms, and workers) to set fair policies.

**6. Awareness and Digital Literacy Programs**

Many gig workers are unaware of their rights under new labor laws.

The government and NGOs should conduct awareness campaigns and offer digital literacy training to help workers access available benefits.

**Conclusion:**

The legal recognition of gig workers in India has seen progress with the introduction of the Code on Social Security, 2020, but challenges in implementation persist. Before 2020, gig workers were largely unprotected under labor laws, lacking access to minimum wages, job security, and social security benefits. While the new legal framework acknowledges their role in the economy, it does not grant them full employment rights, leaving them classified as independent contractors.

Global legal systems have evolved to offer better security, while India struggles with weak enforcement, corporate resistance, and a lack of collective bargaining mechanisms. Though recent state-level initiatives, such as the Rajasthan Platform-Based Gig Workers Act, 2023, indicate progress, their long-term effectiveness remains uncertain.

For India to align with global best practices, it must strengthen enforcement mechanisms, clarify worker classification rules, and ensure social security benefits reach gig workers. Without these reforms, the gig workforce will continue to face precarious working conditions, hindering the sustainable growth of the platform economy.

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**Cite This Article:**

**Asst. Prof. Sonawane R. (2025).** Recognition of Gig Workers in India: A Comparative Study of Legal Rights before and After 2020. In **Aarhat Multidisciplinary International Education Research Journal**: Vol. XIV (Number II, pp. 106–112).