Reimagining Labour Market Formalisation through Labour Reforms Trajectory: A Policy Analysis of Gig Workforce in India

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Abstract— **Future developments in technology could make it easier for more people to participate in gig labor. New kinds of labor have been made feasible by online platform technology, and as this and related technologies advance, they will probably continue to influence the gig economy and the workforce. An important aspect of the modern economy is the non-standard workforce. The gig economy signifies a fundamental change in the way labor is done and the interaction between employees and employers, regardless of differences between current metrics and future projections. As businesses need to respond swiftly to market changes and challenges, workers are being urged to assume greater responsibility for their financial security. It is projected that the gig economy would reach a gross volume of $455 billion by 2024, growing at a compound annual growth rate (CAGR) of 17%. By 2030, the gig economy in India is predicted to generate 90 million employments and contribute 1.25 percent of the nation's GDP. However, the government's minimum wage regulations have proven challenging to implement, and wage equity is still a divisive topic. Income unpredictability, limited access to social benefits, and a lack of job knowledge are some of the issues that gig workers confront. Issues that employers deal with include screening and evaluating job searchers, inadequate knowledge of necessary abilities, and interview and CV skills. The Code on Social Security 2020 was a positive move, but critics argue that it lacks a legislative mandate, universal coverage, and a deadline for compliance. States have the authority to enact legislation to protect gig workers' welfare, social security, and labor rights.**

In the present study, an exploration of current trends in the gig economy, as well as its benefits and drawbacks in both the global and Indian contexts has been made using secondary data sources. This study also outlines areas for further research on the conditions of gig workers, the relationship between gig labor and information, and gig work and technology.

Index Terms— **Policy, Workers, Acts, Employees, Gig Economy, India.**

I. Gig Economy: An Overview

The term "gig economy" refers to a market where businesses, third parties, or internet marketplaces employ people on a fixed-term contract or pay them on a project basis. It is a free market system in which temporary jobs are widespread and firms engage independent workers for short-term contracts. A "gig" is a colloquial phrase for an employment that lasts for a certain amount of time. The term "gig economy" alludes to the transient arrangements that are common at musical performances which have been used by musicians to describe a performance engagement. The gig economy has a widespread impact on the workplace, affecting industries across the board. It has brought about a fundamental shift in the way our economy functions and brought about a radical change in the way individuals are engaged at work. Project-based workers, independent contractors, freelancers, and temporary or part-time employees are a few types of gig workers. This type of arrangement is sometimes referred to as "independent contracting," "freelancing," or "temporary work". Customers and gig workers are frequently connected through gig apps and digital technology.

The number of gig workers will continue to rise because of its unparalleled benefits, as many of the finest and brightest professionals choose gig work as their major source of income. The gig economy is a relatively new phenomenon that has grown as a result of several factors. The two most crucial elements are the following: (1) There is now greater mobility in the workforce and (2) remote work is becoming more common through digital platforms. Gig workers are individuals who provide services through platforms and are typically offline, such as in food delivery, ride-hail, house repair, and care giving. There is a strong market for this type of service, which includes deliveries, day labor, and odd jobs. This structure gives the provider autonomy and flexibility with regard to work schedules, which is a feature that the companies frequently promote. Work that is offered is contingent and includes both temporary and permanent positions. It could offer little job stability, fluctuating hours, piece-work income, and no opportunities for professional advancement. But in addition to taking on operating expenses and hazards and forgoing employee protections, gig workers also have to adjust to the cyclical demands of their clients, which can significantly limit their autonomy (Ravenelle 2019, Rosenblat 2018, Schor 2020)..

II. Gig Economy in Indian Context

The gig economy reflects the evolving nature of workforce in India. India's workforce today is estimated to be around 500 million people, with approximately 210 million working in agriculture and related sectors and the remaining approximately 290 million working in non-farm sectors such as construction and real estate (62 million), manufacturing and utilities (60 million), retail (47 million), and transportation and logistics (25 million). Currently, there are 7-8 million gig workers in India and expected to grow at a CAGR of ~12% and reach 23-25 million by 2030, constituting 4.1% of the total workforce. This new workforce describes a rise in temporary employment as opposed to steady or permanent positions in Indian economy.

A white paper titled "Shaping the Future of Work: Empowering India's Gig Economy" published by the Forum for Progressive Gig Workers projects that the gig economy sector will expand at a compound annual growth rate (CAGR) of 17% to reach a gross volume of $455 billion by 2024. According to estimates, it will contribute significantly to India's GDP, with the potential to increase GDP by 1.25 percent by 2030 and generate 90 million jobs over time. These figures highlight the gig economy's potential as a key driver of economic growth and job creation. The gig economy supports a number of industries, including delivery services, transportation, and e-commerce. It emphasizes the gig economy's benefits, such as alternative sources of income for employees, opportunities for women to earn more, and pathways to workforce integration. In India this sector has grown rapidly in recent years, owing to the COVID-19 epidemic, digital revolution, favorable demographics, shifting labor choices, economic necessity, and a demand for flexible, cost-effective employment alternatives. At first, gig labor was seen to as a lifestyle option for consultants and high-earners. Nonetheless, it has become a popular alternative for entry-level workers searching for a variety of revenue streams and flexible schedules, as well as for new graduates wishing to obtain first experience and develop abilities.

III. WHAT FUTURE HERALDS FOR GIG ECONOMY IN VIKSIT BHARAT@2047?

Viksit Bharat@2047 reflects the India's ambitious ambition of transforming the country into a developed entity by 2047, the centennial of its independence. Economic prosperity, social advancement, environmental sustainability, and good governance are all aspects of development that must be considered. Viksit Bharat@2047 aims to develop a USD 30 trillion economy with a per capita income of USD 18,000 to USD 20,000, backed by robust public finances and a resilient banking sector. In order to realize this vision, India must have steadfast determination, a strong sense of destiny, and a deep appreciation for the enormous potential ability and capacities of its people, especially the young (Fig.1). The younger generation is positioned to take the lead in guiding India towards a recessive Bharat by 2047, since they hold the greatest demographic share. Economic growth and quality of life are enhanced by investments in infrastructure projects, such as digital connectivity and transportation networks. To prepare the workforce for new industries, education reforms place a high priority on skill development and innovation.

However, as per NITI Aayog's 2020 policy brief "India's Booming Gig and Platform Economy" approximately 47% of gig workforce currently consists of medium-skilled jobs, 22% of high-skilled jobs, and 31% of low-skilled occupations. The concentration of workers with medium skills is decreasing, while those with low and high skills are increasing. While medium skills are likely to remain dominant until 2030, gig employment with various abilities will develop. The gig economy maximizes the benefit of demographics and helps lower unemployment. Businesses benefit from the gig economy by accessing cost-efficient workers and easily scaling their workforce according to demand. Long-term prospects for the gig economy may include: about 35 million skilled and semi-skilled jobs across several industry sectors; Facilities management, transportation, and accounting are examples of shared services positions (about five million); household demand for services (approximately 12 million); about 37 million jobs in a variety of economic sectors are unskilled. Over the period more than 70 million of the potentially "gig able" occupations might be found in just the four biggest economic sectors: *manufacturing, retail, transportation, and logistics*. It will include both existing jobs that move to gig platforms and new jobs created in the economy. Improved market openness, delivery efficiencies, and smaller consumption or (*sachetization*) increments will lead to new employment creation.

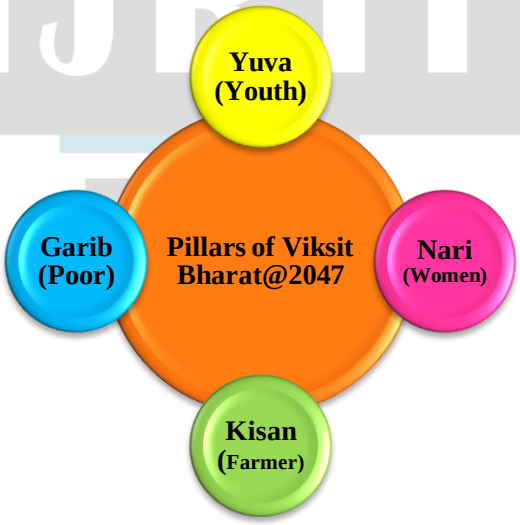


Figure 1: Core components of Viksit Bharat 2047

IV. GIG ECONOMY: ISSUES & CHALLENGES

In recent years Tier-II and Tier-III cities are becoming centers of growth, the sector has led to significantly shifting work arrangement habits, giving rise to new employment challenges. Given that such workers often fall in the grey zone between organised and unorganised labour, affecting benefits and resource provisions. Gig workers are classified into eight unique divisions based on their skill level, life stage, and household income contribution. The most glaring gaps holding gig workers back are industry-specific knowledge (42.86%), soft skills (28.57%), and technical and project management skills (14.29%). Many gig workers lack the necessary skills to perform their work effectively. Gig workers often have limited opportunities for upskilling and career advancement. Nearly 60% of drivers work more than 12 hours a day, 31% work more than 14 hours, and 83% work more than 10 hours a day. This risk is exacerbated by rigorous policies such as e-commerce platforms' '10-minute delivery at the doorstep'. These short delivery deadlines force drivers to rush, jeopardizing their safety and well-being. Furthermore, persistent pressure to fulfill such quick delivery deadlines can result in long-term stress and burnout, which makes the working environment

even riskier and ultimately unsustainable. Unfortunately, gig work is still viewed by some in India as a temporary or low-paying option, which can result in social stigma and lack of recognition for the work done by gig workers.

The gig economy has issues such as extended working hours, a lack of job security, and irregular revenue due to demand changes. Gig workers continue to be excluded from social security programs such as health insurance, unemployment compensation, and pensions. Earnings are impacted by gig labor's unregulated nature, unfair corporate practices such large commission rates (31-40% each ride), and the misrepresenting of workers as "partners" to evade accountability. Despite minimal entry barriers, gig work typically provides inadequate remuneration and benefits, keeping the unemployment rate from falling. Also gig employments are expected to increase female engagement and raise India's Female Labor Force Participation rate, but the actual situation is different. The expansion of the gig economy in India has mainly overlooked women's issues, such as inadequate access to social safety, prospects for career advancement, and negotiating power. The growing platform economy has created gender-specific roles, frequently channeling women into marginalized or traditionally devalued areas, exacerbating gender pay gaps.

V. Governance and Regulatory Framework for Gig Economy

India's labour laws do not protect gig workers, and they are not legally protected against discrimination, harassment, or wrongful termination at work. Social security benefits including health care, retirement benefits, and paid leave are not available to gig workers. This leads to condition where gig workers lacks the negotiating ability leverage to get appropriate pay and working conditions, especially when they are up against a sizable labor pool on online marketplaces.

The Section 2(35) Code on Social Security, 2020 defines gig workers and platform workers as someone who performs work or participates in a work arrangement outside of the traditional employer-employee relationship. Although the Code on Social Security 2020 was a start in the right direction, there were significant issues. The second issue is the overlap and lack of coordination in the present labour laws that deal with gig workers. Chapter IX of the Code on Social Security, 2020 is dedicated entirely to the unorganized worker's economy within the chapter. Only sections 112, 113, and 114 contain provisions regarding gig workers and platform workers. There is no universal coverage, no legal mandate, and no accountability system or timeframe for compliance. Important concerns for gig workers including income volatility and uncertainty are not addressed by the Code. Algorithmic surveillance challenges, the dilution of criminal measures, and the absence of smart identification cards all lead to further issues.

The Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, which attempts to govern platform-based gig workers, was passed by Rajasthan on July 24, 2023, making it the first Indian state to do so. According to the legislation, gig workers are those who work under contract for certain terms of payment in order to make money outside of traditional employment. To regulate social security programs, manage a welfare fund, and register workers, aggregators, and primary employers, it creates the Rajasthan Platform Based Gig Workers Welfare Board. Workers can seek recourse for statutory rights infringements through designated agencies, and violations may result in penalties. Further latest “The Karnataka Platform-Based Gig Workers (Social Security and Welfare) Bill, 2024” requires gig workers to register formally, which makes it simpler to monitor their benefits and rights. It provides grievance processes, demands plain wording in contracts, and needs 14 days' notice for revisions. Additionally, businesses are required to inform employees of any pay deductions. To help the workers and listen to their problems, it also suggests a welfare fund and a welfare board with representation from gig workers. However, there are several difficulties with this measure, such as vagueness and the definition of gig workers as independent contractors rather than employees, which exempts them from fundamental labor protections such as minimum wage, safety, and other benefits such as insurance.

VI. Social Security Entitlements through Labour Code Reforms

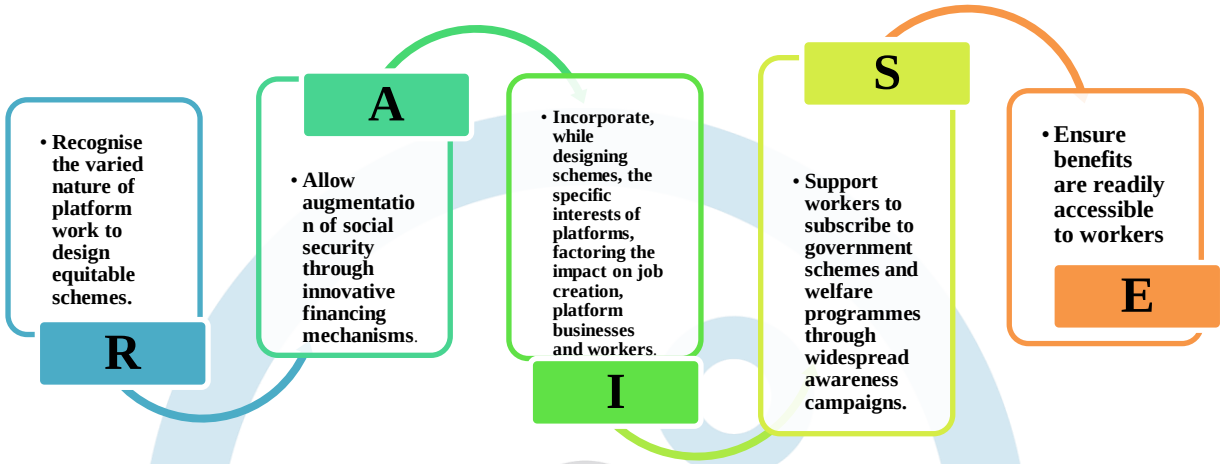
India's four new key labor reforms– the Code on Wages, 2019, the Industrial Relations Code, 2020, the Occupational Safety, Health & Working Conditions Code, 2020, and most importantly, the Code on Social Security, 2020 (CoSS) – have been implemented with effect from November 21, 2025. These laws consolidate and simplify 29 existing labor laws and ensure workplace safety, formalization, and comprehensive social security. The CoSS 2020 aims to provide social security coverage to all workers – including Provident Fund (PF), Employees’ State Insurance (ESI), life insurance, accident insurance, and old-age security – and its framework encompasses organized, unorganized, contract, fixed-term, and gig and platform workers. These reforms are targeted at expanding national social-security safety nets by harmonizing compliance and inclusivity in employer-employee relation relationships.

The CoSS, 2020 heralds major structural shift in inclusive labour governance paradigm by legally recognising the gig economy ecosystem. Section 2(35) defines a gig worker as an individual who performs work outside of the traditional employer-employee relationship and earns income from such activities. Similarly Section 113 provides for the registration of gig, platform, and unorganized workers to make them eligible for social security schemes. Under Section 114, the central government has the power to formulate and implement social security schemes for Life & Disability Cover, Accident Insurance, Health & Maternity Benefits, Old-Age Protection, Crèche facilities, etc. Additionally, the Code proposes the establishment of a Social Security Fund and a National Social Security Board to finance and monitor these schemes, and may mandate aggregators (such as Swiggy, Zomato, etc.) to contribute towards these schemes for the benefit of the workers. Collectively, these provisions establish the first statutory safety net for India’s gig workforce and enable a governance model suited to the rapidly expanding platform economy.

VII. CONCLUSION

The gig economy offers chances for economic empowerment and innovation, but its viability depends on making sure that gig workers' rights and welfare are sufficiently safeguarded. India's path to a complete regulatory framework must stress inclusivity, fairness, and the promotion of good work for all, regardless of employment status. India can pioneer the way for a progressive and equitable digital labour market in the future by learning from global best practices, following legal precedents, and properly embracing technical innovations. Unlocking the full potential of the gig economy in India requires more than just platform-based prerequisites. It also requires a common set of standards, inventories, and registries, as well as interoperability protocols and supportive public policy. In addition to guaranteeing worker protection and promoting the use of gig-based services across Indian industries, an ecosystem of registries, services, community-adopted standards, laws, and interoperable technologies can spur

innovation in market-facing services. This can be achieved by the five-pronged RAISE approach to ensure realisation of full access to social security for all gig and platform workers (Fig. 2):



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