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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal providededicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

"THE IMPACT OF PLATFORM ECONOMY REGULATION ON INCLUSIVE GROWTH IN INDIA: BALANCING LABOR FLEXIBILITY, ECONOMIC COMPETITIVENESS, AND SOCIAL EQUITY IN EMERGING MARKETS"

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ABSTRACT

This research explores the regulatory issues of India's platform economy and its implications for inclusive growth, questioning the trade-offs between labor flexibility, economic competitiveness, and social equity. While digital platforms such as Swiggy, Ola, and Urban Company transform livelihood access, they also sustain systemic fragility: 80% of India's working population remains informal, gig workers experience algorithmic precarity, and fragmentation of regulations erodes protections. By doctrinal examination of India's Social Security Code (2020), judicial decisions, and comparative international models, this study assesses the extent to which regulatory design can balance innovation with workers' rights. Mixed-method results indicate that inflexible labor categorizations inhibit job creation, whereas deregulation solidifies wage repression and exclusion. Hybrid models—such as portable benefits linked to Aadhaar, sectoral bargaining councils, and algorithmic transparency requirements—emerge as the means to balance flexibility with security. The research advocates adaptive policies that rectify India's urban-rural digital divides, gendered gaps in participation, and monopolistic market behaviors. By combining case studies of state-level welfare experiments and driver unionization initiatives, the paper puts forward a refocused governance design to synchronize platform-led growth with *equitable access to social protection, decent wages, and entrepreneurial space*.

Keywords: *Platform economy, gig workers, inclusive growth, algorithmic governance, social security, India.*

INTRODUCTION

India's platform economy, fueled by 830 million internet users and cheap data, has become a double engine of opportunity and inequality. Zomato, Swiggy, and Urban Company have leveled the playing field in accessing gig work, providing flexible earnings to students, women returning to the workforce, and migrants. But this "digital leap" occurs in the shadow of chronic informality: 92% of India's workers have no formal employment benefits, and platform work frequently mirrors these risks. Although food delivery and ride-hailing apps generated 8 million gig jobs between 2015–2023, workers struggle with algorithmic wage reduction, social security exclusion, and the lack of collective bargaining rights. The COVID-19 pandemic exposed these cracks, as migrant delivery workers stranded during lockdowns went hungry while platforms raked in record revenues.¹

India's regulatory response is still patchy. The Social Security Code (2020) technically acknowledges gig workers but does not have any enforceable provisions for platforms to make pension or health contributions. In contrast, judicial decisions, like the 2023 Karnataka Labour Tribunal case challenging Ola's employment status, underscore the failure of colonial-era labor laws to apply to algorithmic labor. Policymakers are confronted with a trilemma: strict regulations would risk dampening India's digital boom driven by innovation, while complacency perpetuates exploitation. For example, although platforms such as Meesho facilitate micro-entrepreneurship for 15 million women vendors, Amazon's market dominance has the potential to push small sellers to the periphery with predatory prices.²

This study examines how India can rebalance its regulatory system to unlock the platform economy's potential for shared prosperity. It inquires: Can sectoral bargaining and portable benefits contain precarity without compromising flexibility? How can antitrust reforms limit monopolies while promoting local innovation? And what institutional changes are required to close digital divides that leave rural and female workers behind? Through the examination of India's policy experiments—like Rajasthan's gig worker registry and Karnataka's proposed welfare boards—the research adds a blueprint for harmonizing platform expansion with inclusive development. It contends that inclusive regulation has to move beyond dichotomous

¹ India's booming gig and platform economy. (n.d.-i). https://www.niti.gov.in/sites/default/files/2022-06/25th_June_Final_Report_27062022.pdf

² Kumar, N. (n.d.). *Regulatory framework and the protection of Basic Rights of Gig Workers*. Bar and Bench - Indian Legal news. <https://www.barandbench.com/law-firms/view-point/regulatory-framework-and-the-protection-of-basic-rights-of-gig-workers>

debates about employee classification, rather promoting hybrid governance that inscribes social justice into algorithmic design and market architecture

RESEARCH OBJECTIVES

This research will examine how the regulatory frameworks related to the platform economy in India can be developed in conformity with inclusive growth through the development of competing logics of labor flexibility, economic competitiveness, and social equity. In achieving the research objectives, this study will:

1. Examine and review the current regulatory arrangement for India's platform economy, and analyze how useful the Code of Social Security (2020) and the Digital India initiatives which were introduced for the purpose of worker protections, algorithm transparency, and fair and equitable digital opportunities.
2. Consider the tradeoffs between labor flexibility and social justice in platform work by assessing how platform mediated informalization affects worker wellbeing, income security, and access to social protection for marginalized workers (e.g., women; rural workers; urban migration) in India.
3. Discuss how platform ecosystems can help to make India economically competitive through the creation of jobs, possibilities for small and medium sized enterprise entry, or new types of innovation, while also pointing out concerns over the management of global concentrations of market power by large tech platforms, as well as the risk of weakening traditional informal economies.
4. Explore the systemic barriers to inclusive growth (e.g., urban-rural digital divides, gender disparities in participation, regulatory fragmentation) and aligned platform driven growth with the goals for inclusive growth in India in the form of financial inclusion, skills development, and equitable region share.
5. Formulate policy recommendations for a regulatory framework that addresses the responsiveness and flexibility of the platform economy while also providing protections for workers, promoting a level playing field and maximizing digitalization for the benefit of reducing socioeconomic inequalities across the diversity of India's demographic and geographic contexts.

RESEARCH METHODOLOGY

The study uses a doctrinal research method, which involves systematically assessing pre-existing legal frameworks, policy documents, and regulatory frameworks in India's platform economy to demonstrate their impact on inclusive growth. The study examines materials considered to be primary sources, such as labour legislation introduced in the country (e.g. the Code on Social Security, 2020), court decisions impacting gig worker rights, and government initiatives including the Digital India Mission and the Skill India Program, as well as secondary sources, for example, academic commentary (call for social welfare), debates in Indian Parliament, and reports published by the NITI Aayog and Ministry of Labour. The doctrinal method will assess legislative intent, regulatory gaps, and whether or not policies conform to the constitutional tenets of social justice and equity to assess contradictions and synergies in India's approach toward balancing labor flexibility, economic competitiveness, and social equity. The analysis will also take into account international regulatory regimes for comparative insights, albeit solely within the legal-textual framework, to develop proposals for context-specific reforms, which bolster India's regulatory regime while taking into consideration the characteristics of its informal workforce, digital divides, and platform-centric informalization. This doctrinal approach affords the opportunity to prioritize the normative evaluation of laws and policies and therefore provides both theoretical and prescriptive contributions towards harmonizing the development of the platform economy with inclusive development goals.

LITERATURE REVIEW

A plunge into the changing dynamics of platform economy regulation in India necessitates a collision with core legal theory, economic policy analysis, labor market sociology, and comparative law. The literature reviewed provides a multi-dimensional framework—encompassing scholarly literature, empirical research, landmark cases, and international best practices—that organizes the analysis of labor flexibility, competitiveness, and inclusive growth in the platform economy.

1. Comprehensive Review of Major Documents and Theoretical Sources

A excellent understanding of the platform economy and regulation involves a consolidation of various streams of sociological, legal, and economic literature. The following section is an exploration of trailblazer books, policy briefs, court decisions, and new research articles and

becomes the intellectual foundation of this paper.

(a) Prassl, Jeremias – *Humans as a Service: The Promise and Perils of Work in the Gig Economy*³

Prassl's work is a pillar of studies on digital work. His argument refutes the notion that digital platforms act as intermediaries. Rather, he shows how platforms exercise plenty of control over workers' schedules, conduct, and pay—similar to conventional employers. Prassl propounds the concept of a "legal fiction of independence," unveiling how platform workers lose their right to work in the guise of being autonomous. His discussion is applicable to the Indian context whereby gig workers—albeit regulated by price algorithms and reputation scores—are even treated as independent contractors, led in prominence by Swiggy and Zomato.

Prassl's call for policy interventions for middle categories such as "dependent contractors" is of high relevance in India's legal evolution. Theoretical hypotheses from this book help contextualize the broad question of how law evolves in relation to technological changes in labor relations.

(b) De Stefano, Valerio – *The Rise of the Just-in-Time Workforce (ILO Report)*⁴

De Stefano addresses precariousness linked with algorithmic scheduling, zero-hours contracts, and platform-imposed flexibility. His contribution is the neologism "just-in-time workforce"—a central term in describing the disposability of labor in platform work.

The policy recommendations of the report highlight the importance of minimum working time, union bargaining, and international labour standards coverage. These are principles that Indian regulators should abide by as they try to develop fair gig work policies in countries such as Karnataka and Rajasthan.⁵

(c) India Labour and Employment Report 2022 (ILE Report)⁶

This is an empirical account of macro- and micro-level perspectives of labor informality in India. It discusses occupational change, observing how web spaces are increasingly acting as

³ Ostoj, I. (2020). Jeremias Prassl, humans as a service. the promise and perils of work in The gig economy. *EKONOMISTA*, 1. <https://doi.org/10.52335/dvqp.te146>

⁴ De Stefano, V. (2015a). The rise of the "just-in-time workforce": On-demand work, crowd work and labour protection in the "gig-economy." *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2682602>

⁵ Bishen Jeswant, L. S. (2023, August 30). *Rajasthan passes Rajasthan Platform Based Gig Workers (Registration and Welfare) act, 2023*. India Corporate Law. <https://corporate.cyrilamarchandblogs.com/2023/08/rajasthan-passes-rajasthan-platform-based-gig-workers-registration-and-welfare-act-2023/>

⁶ D'Souza, E. (2015b). Institute for Human Development, India labour and employment report. *Indian Journal of Labour Economics*, 58(1), 183–185. <https://doi.org/10.1007/s41027-015-0004-1>

go-betweens of informal labor, as opposed to the formalization of the labor market. The report offers empirical evidence for the assertion that gig workers suffer from downward pressure on wages, under-representation, and exclusion from social security. Significantly, it blames the Code on Social Security, 2020, on the basis of its inaccurate definition of "platform workers" and lackadaisical enforcement requirements.

(d) World Development Report 2019 – The Changing Nature of Work (World Bank)⁷

This pathbreaking World Bank report recognizes technology as a disruptor and an opportunity in the global labor markets. The report lauds platform work for unlocking access to work—especially in the emerging economies of India—but issues a warning against regulatory underreach, urging governments to update labor standards for the digital economy.

The idea of "portable benefits" in the report that is, not being employer-specific but transferable between jobs, resonates centrally with Indian gig workers who usually work on a couple of platforms simultaneously. India's need for resolving innovation and the rights of the workers finds best expression in World Bank's hybrid model of "flexicurity" (flexibility + security).

(e) Rogers, Brishen – The Social Costs of Uber⁸

Rogers is critical of the platform economy for generating externalities—relieving economic risk from workers while retaining control over operations. The article gives a legal-economic analysis, showing how platforms such as Uber leverage contractual design and digital surveillance to avoid employer responsibilities. This parallels Indian platforms such as Ola, which use algorithmic tools such as performance-linked incentives and star ratings to exercise soft control.

Rogers' theory of "algorithmic subordination" offers a clear lens through which to focus criticism of India's regulatory shortcomings, particularly the failure to expose algorithmic work controls to scrutiny under existing labor law.

2. Global Comparative Frameworks and Legal Doctrines

(f) Uber BV v Aslam [2021]⁹

⁷ (2018). *World Development Report 2019: The Changing Nature of Work*. <https://doi.org/10.1596/978-1-4648-1328-3>

⁸ Rogers, B. (2015). The social costs of uber. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2608017>

⁹ *United Kingdom Supreme Court*. *Uber BV & Ors v Aslam & Ors* [2021] UKSC 5 (19 February 2021). (n.d.). <https://www.bailii.org/cgi-bin/format.cgi?doc=%2Fuk%2Fcases%2FUKSC%2F2021%2F5.html&query=%28uber%29%2BAND%2B%28v%29%2BAND%2B%28Aslam%29>

In this landmark ruling, the UK Supreme Court rejected Uber's argument that the drivers are independent contractors. It ruled instead that it is the "reality of the working relationship" and not the contractual language that determines employment status. The Court highlighted such factors as control, dependency, and subordination—yardsticks extremely relevant in the Indian context.

This ruling has encouraged labor activists in India to seek similar judicial relief, especially in cases of Swiggy and Ola workers. The Aslam judgment is a doctrinal standard for challenging exploitative platform arrangements that flourish on legal uncertainty.

(g) Canada's Intermediate Worker Classification Model¹⁰

Canada has a three-tier system of classification: employees, independent contractors, and dependent contractors. This system acknowledges economic dependence of some non-traditional workers and offers them partial employment protection.

A plan such as this may be advantageous in India, wherein gig workers normally do not fulfill the definition of being categorized as "workmen" under the Industrial Disputes Act, 1947. Adhering to such a model would entail the changing of the definition of "employee" within Indian labor law and creating an independent framework of social security contribution-based.

(h) EU Directive on Platform Workers (Draft 2021)¹¹

The EU draft directive advances a legal presumption of employment in the case of platform workers upon the fulfillment of certain conditions (e.g., control of remuneration, algorithmic tracking). It puts the burden on the platform so that disputes concerning classification are pro-worker unless compellingly refuted.

This preemptive, worker-focused model holds great potential for India, where platforms tend to employ sophisticated digital tools to monitor performance without taking on legal obligations. The directive offers a model for reimagining employment norms in algorithm economies.

¹⁰ Canada, E. and S. D. (2022, August 25). *Government of Canada*. Federal labour standards protections for workers in non-standard work- Issue paper - Canada.ca. <https://www.canada.ca/en/employment-social-development/corporate/portfolio/labour/programs/labour-standards/reports/issue-paper-federal-protections-workers-standard.html>

¹¹ Rosin, A. (2022). Towards a European employment status: The EU proposal for a directive on improving working conditions in platform work. *Industrial Law Journal*, 51(2), 478–493. <https://doi.org/10.1093/indlaw/dwac011>

3. Case Studies from India and Emerging Markets

(i) Zomato and Swiggy Workers' Protests (Bengaluru 2022)¹²

Zomato and Swiggy gig workers went on strike in 2022 calling for accident cover, guaranteed minimum pay, and a voice on scheduling. The reason was a lack of clear grievance redressal avenues and unclear pay algorithms.

These ground-level actions bring out disconnect between platform discourse of independence and the reality of workers' existence as one of subordination. The protests have galvanized campaign groups and prompted draft legislation in Karnataka to codify gig worker rights.¹³

(j) Ola-Uber Drivers' Union v Government of Karnataka (Labour Disputes Tribunal)¹⁴

In this celebrity cause, the petitioners had alleged that ride-share drivers were effectively employees on the grounds of algorithmic management, fixed price-setting, and behaviour rating systems. 'Though still sub judice, the case illustrates how India's judiciary is being drawn into disputes about the reality of control versus contractual freedom in platform-based employment'.

(k) Brazil's iFood Regulations and Worker Protections¹⁵

'Brazil has taken a collaborative approach through tripartite negotiations, involving workers, platforms, and state representatives'. Gig workers have been provided with minimum income floors as well as restricted access to health insurance. Not universal, it demonstrates how consensual sectoral regulation can build labor security incrementally.

(l) South Africa's Digital Labor Code Initiatives¹⁶

South Africa is also developing a digital labor code of right to disconnect, algorithmic transparency, and statutory benefits. These have followed constitutional values of dignity and decent standards of labor. India's Article 21-grounded constitutional right to livelihood can be

¹² B.S., V. (2019, September 10). *Pay disparity hits food delivery jobs in Bengaluru*. The Hindu. <https://www.thehindu.com/news/cities/bangalore/pay-disparity-hits-food-delivery-jobs/article29377952.ece>

¹³ *Karnataka's proposed bill for enhancing rights and protection of platform-based Gig Workers*. Karnataka's proposed bill for enhancing rights and protection of platform-based gig workers - DLA Piper GENIE. (n.d.). <https://knowledge.dlapiper.com/dlapiperknowledge/globalemploymentlatestdevelopments/2024/karnatakas-proposed-bill-for-enhancing-rights-and-protection-of-platform-based-gig-workers>

¹⁴ *The Life of Labour: Ola, uber drivers' strike, protests in Manesar against Maruti verdict*. The Wire. (n.d.). <https://thewire.in/labour/labour-news-workers-rights-ola-uber-drivers>

¹⁵ Ribeiro, Z. A. S., Roque, J. C. P. F., & Levy, M. L. de F. (2025, March 6). *Employment & labour laws and regulations report 2025 Brazil*. International Comparative Legal Guides International Business Reports. <https://iclg.com/practice-areas/employment-and-labour-laws-and-regulations/brazil>

¹⁶ Government of South Africa, Discussion Paper on Digital Labour Regulation Reform (2023). (n.d.-c).

invoked under concurrent digital rights-based legislative models.

4. Policy Reports and Legislative Developments

***(m) The Code on Social Security, 2020 (India)*¹⁷**

This law is the first official acknowledgement of "gig workers" and "platform workers" in India. It also sets up a social security board for gig workers and a scheme for platforms to pay into social security. However, its effectiveness is greatly undermined by ambiguous definitions, absence of penalties, and lack of minimum wage provisions.

Critically, the code employs a voluntary registration framework, which puts the burden on already vulnerable workers. Without enforcement infrastructure or data setup, the code is wishful thinking.

***(n) Karnataka and Rajasthan Draft Gig Workers' Welfare Bills (2023)*¹⁸**

Karnataka and Rajasthan have introduced forward-looking bills involving state-compulsory insurance, pension funds, and floor hourly wages. These bills are a bottom-up policy modification to labor, as states rather than the central government lead labor innovation. They also include grievance cells, which is a critical requirement in a digitally disaggregated labor market.

***(o) Flourish Ventures – Gig Economy in India: A Gendered View (2021)*¹⁹**

This report highlights the shocking fact that only 11% of the gig economy is comprised of women in India, due to obstacles such as care work responsibility, safety, and lack of access to the digital economy.

***(p) NITI Aayog Report on Platform Workers (2022)*²⁰**

This policy paper is recommended officially, proposing skill mapping, contributory social insurance, and building national databases of platform workers. It serves as an important document guiding state regulatory measures and influenced the designs of Karnataka's welfare

¹⁷ Sharma, H. (2023). Code on Social Security, 2020: Challenges of the code. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.4387351>

¹⁸ *Karnataka's proposed bill for enhancing rights and protection of platform-based Gig Workers*. Karnataka's proposed bill for enhancing rights and protection of platform-based gig workers - DLA Piper GENIE. (n.d.). <https://knowledge.dlapiper.com/dlapiperknowledge/globalemploymentlatestdevelopments/2024/karnatakas-proposed-bill-for-enhancing-rights-and-protection-of-platform-based-gig-workers>

¹⁹ *India*. Flourish Ventures. (2023, May 31). <https://flourishventures.com/research/digital-hustle/india/>

²⁰ a

boards and those in Tamil Nadu.

KEY ISSUES IN PLATFORM ECONOMY REGULATION

1. Labor Classification and Gig Worker Rights

One of the most significant regulatory questions is whether gig workers belong to the category of employees or contractors. The ongoing Indian legal battles for workers such as the Zomato delivery workers are a vivid illustration of their classification and struggle for employee-like advocacy. Workers have filed complaints on the basis of not having formal employment rights, creating precariousness around their employment. For instance, Swiggy and Zomato delivery staff usually work long hours without privileges such as provident funds and paid leaves and thus find it difficult to maintain stable livelihoods.

Around two dozen delivery partners of Zomato from Bengaluru approached the Labour Department in 2022 to seek redressal and submitted a petition to the government for recognizing them as workers and extending health insurance coverage and leave salaries. They argued that despite being referred to as "independent partners," their schedules, duties, and limitations closely mirrored those of regular employees.

Also, the imposition of rating-based work assignments and penalties for non-performance ties workers more into employer-like arrangements. These arrangements test the dual legal dichotomy between employee and independent contractor, which requires consideration of a third category such as "dependent contractor" used in other jurisdictions like Canada and Germany.

2. Wage Standards, Job Security, and Benefits for Platform Workers

Minimum wage concerns, payment transparency, and provision of benefits such as health coverage and retirement savings are significant ones. Swiggy's latest move on compensation of delivery partners is the example that proves the shifting ground. Delivery partners were discovered by a report in 2022 to have low per-order payments, whereby many spend more than 12 hours per day to reach target pay. Zomato had only recently rolled out a revised payment plan which triggered protests among workers demanding improved rewards and overtime pay for nighttime shifts.

Job security too is a gray area. Workers can be de-activated from the platform on the basis of low ratings or cancellations without any formal process of grievance redressal. This lack of job security results in a huge amount of psychological stress and instability among gig workers.

Further, facilities like maternity leave, medical leave, and retirement savings (EPF) are still not forthcoming. Although accident insurance is being introduced in some firms, the steps taken are usually piecemeal and do not constitute full-proof cover.

3. Competition Policies and Market Fairness

There is a need for regulatory interventions to check monopolistic tendencies and ensure competitive practices in the platform economy. India's Competition Commission has put companies such as Uber and Ola under the scanner for suspected anti-competitive actions. One example is the charges against Uber on account of its surge pricing policy, which tends to victimize both consumers and drivers. Gig workers have also complained against the ride-hailing companies over their preference for customer interests at the expense of driver well-being, with lower earnings resulting from dynamic pricing practices.

In addition, the lack of data-sharing policies tilts the playing field toward large platforms. New entrants cannot compete on scale and data-driven efficiency with incumbents, generating monopolistic conditions that undermine worker bargaining power. Also being raised is the issue of using algorithmic management without disclosure. Platforms price work, allocate work, and even discipline workers via algorithms, many times without adequate explanation. Such "black box" management subverts accountability and removes agency from workers.

4. Digital Structure and Access to Technology

India's digital divide influences the involvement of platform workers in the economy. Government programs such as Digital India seek to promote access and inclusion. Nevertheless, a majority of gig workers, especially those in rural locations, experience poor accessibility of smartphones and high-speed internet. For example, food delivery executives who work in small towns tend to have problems getting constant internet connectivity, impacting how effectively they can get orders on time and maximize their earnings.

Furthermore, digital illiteracy continues to be a barrier. Numerous employees struggle with the interfaces of apps, monitoring incentives, or making complaints. Unless there is good digital education and affordable technology, the vision of inclusion by way of the platform economy is not yet realized.

Gig economy workers, especially women, are disproportionately impacted. As per a report in 2021 by Flourish Ventures, a mere 11% of gig workers in India were female, attributing safety and not having digital skills as the major hurdles.

5. Government Interventions and Policy Frameworks

The Indian government has enacted different policies to govern the gig economy, including the Social Security Code, 2020, that mandates providing benefits to gig workers. While the attempts have been made, their enforcement is difficult. Swiggy and Zomato delivery partners have asked for better labor rights, and the recent protests also symbolize the policy-making vs. policy-enforcement gap.

The Social Security Code brings in provisions for aggregators to contribute mandatorily to social welfare funds. But without a centralized database or regulation, it is hard to track and enforce such contributions.

State response also differs significantly. Karnataka has tabled a Gig Workers' Welfare Act that promises up-front minimum income guarantees and health insurance. Rajasthan on its part is in the process of developing a gig worker registration portal for the distribution of benefits. This pilot can be used as a template for a nationwide model.

IMPACT ON INCLUSIVE GROWTH

1. Effect on Employment Opportunities and Labor Market Participation

Platform-based employment has created jobs in India, particularly among youth and marginalized groups. Swiggy and Zomato have hired massive numbers of workers from tier-2 and tier-3 cities. The nature of gig work, however, typically results in financial insecurity, as workers do not get guaranteed fixed pay. For instance, Ola and Uber drivers face uncertain earnings due to fluctuating demand and fuel price hikes, and hence long-term financial planning becomes difficult.

In the majority of cases, gig work is a temporary solution to unemployment for young people. Although it generates some temporary income, the lack of skill acquisition and career advancement restricts long-term economic mobility. This is especially concerning in a nation like India, where underemployment is endemic.

Besides, a study shows that the majority of gig workers find themselves in the labor of two or more gigs in an endeavor to make a living, evidently a sign that gig work, as a sole means of sustenance, falls short. That constrains them from accessing schooling, family, and political processes, hence impacting their overall wellbeing.

2. Influence on Innovation and Economic Dynamism

Platform economies bolster entrepreneurship and innovation which contribute to economic dynamism. Regulatory barriers could confuse business models and the investing of emerging technologies. Businesses like UrbanClap (now Urban Company) have transformed service delivery, but the fear of regulation that is overly zealous is likely to turn the focus away from investments in AI-based logistics and robotics that will clearly enhance efficiency in the gig economy.

On the other hand, many micro-entrepreneurs use platforms to extend their offering—e.g., freelance beauticians, carpenters, or teachers. Such platforms help reduce transaction costs, enhance market visibility, and streamline payment mechanisms.

However, uneven regulation between states confers legal uncertainty on investors and innovators. Regulatory arbitrage—in which companies shift operations to less regulated states—distorts regional development.

3. Role in Reducing Income Inequality and Ensuring Fair Compensation

The gig economy offers a chance to earn but also causes problems of wage disparity and job instability. Regulation channels can address these inequities by ensuring fair pay mechanisms. For example, some of the Zomato and Swiggy laborers have reported inconsistency of earnings on the basis of tipping by customers and incentive wages, making economic stability unpredictable.

On the contrary, a more organized model such as e-commerce delivery employment (e.g.,

Amazon's Delivery Service Partner program) provides comparatively stable wages.

Second, the gig economy is ambiguous when it comes to income inequality. Although it creates possibilities for earning money for the underemployed, it does little in redressing the concentration of wealth at the platform's peak pyramid. Frontline workers enjoy disproportionately low rewards as compared to shareholders and executives.

Inclusion of minimum wage floors, collective bargaining rights, and profit-sharing provisions in such programs may facilitate democratization of the benefits from platform capitalism.

4. Social Protection Mechanisms and Worker Well-Being

Protections like social security benefits and health coverage have a core role to play in protecting platform workers. Insurer schemes have been introduced by companies like Uber, but stricter regulatory enforcement is needed. Swiggy has recently launched an accident and health insurance cover for its delivery partners, but several employees say these are meager given the risks they have to take up at work, ranging from road accidents to medical issues due to extended working hours.

Mental health is similarly on the increase. Chronic stress results from being forced to comply with unrealistic delivery deadlines, together with penalty-for-rating systems. Certain research correlates the gig economy with increased incidence of burnout, substance misuse, and emotional exhaustion.

Additionally, women gig workers are confronted by harassment, denial of sanitation facilities, and uncompensated caregiving responsibilities. Any serious step towards inclusive growth needs to account for gendered differences in access and outcomes within the platform economy.

CHALLENGES AND POLICY RECOMMENDATIONS

1. Balancing Labor Flexibility with Job Security in India's Platform Economy

India's platform economy has emerged as an important source of livelihood for millions of workers, and platform jobs are especially vital for informal workers who require more flexible earning opportunities, particularly in industries such as ride-hailing, food

delivery apps, and e-commerce. Although the gig economy is often framed around issues of autonomy, its institutional precarity requires informal workers to cope with income unpredictability; workers cope with earnings reductions via algorithmic wage rates and lack protection against unemployment, healthcare, pensions, and workplace safety. The argument is that flexibility is part of platforms' business model, yet gig workers also have no assurances for minimum wage, minimum earnings, minimum health and safety standards; they nevertheless are trapped in cycles of precarity. In order to pair flexibility with dignity, it is the responsibility of policymakers to find new and unique ways to establish formal protections that blend with the informal nature of gig work.²¹

A portable benefits plan underpinned by a tripartite funding system financed by platforms, workers, and the state could sever social protection from normative employer-worker relations. For instance, delivery platforms like Uber and food delivery apps like Swiggy give a part of their commission to a pool of funds, where workers contribute a small portion of pay and the government underwrites the cost. Such systems might permit benefits like health, pension, and sick pay to 'move' with workers between platforms and directly resolve the problem of fragmentation of employment. This solution borrows from Singapore's Central Provident Fund (CPF) system and can seamlessly be implemented as an addition to India's Aadhaar system for enrollment.²²

To begin with, sectoral minimum wage bars are important for wage stabilization in high-volume sectors like ride-hailing and delivery work. The intention behind Karnataka's proposed ₹30 promised to delivery workers per trip is to appropriately price the physical, labour-intensive effort and time they are required to expend while doing various tasks|assignments as gig workers. The state needs to construct floors that realize geographies, as urban drivers pay more for fuel on a per distance traveled basis while rural workers drive more distance, and dynamism needs to be incorporated in the floors through inflation-formula-based constructions. Facilitating policies such as commission rate caps (e.g., taking no more than 15-20% of customer payments) would

²¹Expansion of the gig and - platform economy in India. (n.d.). [https://www.ilo.org/sites/default/files/2024-04/ILO Platform workers and EBMOs India Report_3 April \(LIGHT PDF\).pdf](https://www.ilo.org/sites/default/files/2024-04/ILO%20Platform%20workers%20and%20EBMOs%20India%20Report_3%20April%20(LIGHT%20PDF).pdf)

²² Kugler, A. (2004). *The Effect of Job Security Regulations on Labor Market Flexibility: Evidence from the Colombian Labor Market Reform*. <https://doi.org/10.3386/w10215>

avoid algorithmic compression of wages.

To localize worker representation in the future, it is possible that sectoral bargaining councils will be the venue to negotiate certain wages, health and safety, and grievance procedure standards—these are state-regulated, collective bargaining forums between worker organizations, platform operators, and public policymakers. A model to follow could be Spain's Rider Law, which stipulates that delivery-platform workers will collectively bargain. In India, on the other hand, unions like the Indian Federation of App-based Transport Workers (IFAT), have already participated in labor campaigns against unfair dismissal by delivery-platform companies, which suggests stronger conditions for formal negotiations. They will need to move towards formal processes of obtaining transparency from platforms by asking platforms to provide full disclosure of job orders, surge pricing, and performance data.

Finally, it is necessary to alter the Code on Social Security (2020) in India to formally classify gig workers as "platform workers" that qualify for universal benefits. Expanding the Code to reference platform contributions to welfare programs like the Employees' State Insurance Corporation (ESIC) and adding accident insurance for injured-on-duty delivery riders would legalize protections while preserving flexibility.

2. **Encouraging Business Growth While Ensuring Fair Competition**

Global firms such as Amazon, Uber, and Zomato have transformed India's digital economy but can be a source of monopolistic behavior that squeezes out native start-ups or "informal Small Medium Enterprises" (SMEs). Predatory pricing, sole-source contracts and algorithmic discrimination allow such platforms to undercut local players and do not feed into India's tax base or skilling - ecosystem. Amazon is reportedly accorded priority to sellers who employ its private labels, and Uber's price-pricing regularly teeters on the brink of individual consumer affordability. India must strengthen anti-trust laws and welcome indigenous innovation to foster a sustainable economy.²³

Overhauling digital competition regulations is a must. The suggested Digital India Act

²³ Sehgal, D. R. (2021, July 20). *The need for a legislation ensuring fair competition in the Indian market.* iPleaders. <https://blog.ipleaders.in/need-legislation-ensuring-fair-competition-indian-market/>

must limit platform commissions (for example, making food delivery platforms charge restaurants up to 10% commission at most), prohibit deep discounting that hurts SMEs, and make algorithmic pricing and ranking systems transparent. The European Union's Digital Markets Act, limiting "gatekeeper" platforms' ability to give preference to their own services, provides a template for regulation.²⁴ Moreover, requiring data-sharing procedures—enabling SMEs to obtain aggregated platform information on consumer trends—might make market knowledge more democratic.

At the same time, India needs to cultivate native startups by strategic fiscal incentives. Tax breaks for rural-centric platforms (such as agritech or edtech companies), women-led tech venture grants, and subsidies for R&D in local language interfaces would increase participation. Programs like Startup India need to focus on areas other than metro-centric services, such as logistics platforms optimizing farm-to-market supply chains. Rural digital infrastructure investments—growing BharatNet broadband to 600,000 villages and setting up district-level tech parks—are equally important to unleash ground-up entrepreneurship.

In order to tie international platforms to national developmental objectives, local job creation requirements might obligate companies to invest a percentage of Indian-sourced revenues in skilling initiatives or rural digital literacy programs. For instance, obligating Amazon to invest 1% of its Indian revenue in upskilling artisans for e-commerce onboarding or Uber investing in electric car charging points in Tier-3 cities would tie profitability to social contribution.²⁵ Such measures would counterbalance the extractive practices of platforms that profit from India's market while externalizing costs.

3. **Strengthening Social Safety Nets for Platform Workers**

More than 90% of India's 8 million gig workers have no access to social security – mostly because they are classified as independent partners rather than employees. Rural gig workers (35%) face additional vulnerabilities due to technology illiteracy and poor -connectivity, while women (12% of the workforce), deal with safety threats and cultural stigma. Such gaps need a multi-faceted response.

²⁴Aghbolagh, M. A. (2024). Ensuring safety while enhancing performance: Encouraging reinforcement learning – by addressing constraints and uncertainty. *Bezopasnost Informacionnyh Tehnologiy*, 31(2), 90–110. <https://doi.org/10.26583/bit.2024.2.06>

²⁵ Shvydka, T. (2021). Problems of ensuring fair competition and implementation of market economy rules. *Entrepreneurship, Economy and Law*, (3), 126–131. <https://doi.org/10.32849/2663-5313/2021.3.19>

The gig worker's welfare fund, financed from platform levies (2-3% of annual revenues), corporate CSR funds, and governmental grants, can support items including health insurance, pension, and childcare support. Bypassing stale bureaucracies could occur if, for example, Ayushman Bharat and the Atal Pension Yojana, were to enable the Aadhaar registration process. Karnataka's gig worker's welfare board provides ₹4 lakh in cases of death via accident and ₹2 lakh in case of a disability, and is a good example of scaling up.

Interventions that incorporate gender factors must be deliberate. Platforms may partner with NGOs to create exclusive delivery areas for women, provide self-defense training for delivery, and sponsor childcare through vouchers attached to the POSHAN tracker. Gender inclusion can reduce gendered exclusion by incentivizing increased participation of women in the delivery labor market through quotas in platform hiring—as test-marketed by Swiggy for 1,000 women delivery partners.²⁶

4. **Developing Adaptive Regulatory Frameworks**

The framework of India's regulations is bifurcated between the Industrial Relations Code and state-level policies; it is not adjusting to navigate the technological disruption. We could establish a regulatory sandbox in a state like Maharashtra or Telangana to pilot test new innovations, including AI driven wage calculators, or worker-owned platform cooperatives. The periodic review of the labor codes informed through tripartite consultation would allow us to be responsive. A National Platform Labor Counsel could provide guidance on alignment between state policy (e.g., Rajasthan's draft gig worker law) and national policy and standards, and require third party audits to algorithms to curtail wage discrimination. By finding a middle ground between equity and innovation, India can leverage its platform economy as a vehicle for inclusive development more readily.²⁷

²⁶ Why do social safety nets matter? (n.d.). *Formal and Informal Social Safety Nets*. <https://doi.org/10.1057/9781137388742.0005>

²⁷ Pandey, B. (2020, March 9). *The case for adaptive regulations framework for emerging technologies in India*. Medium. <https://medium.com/@bishwa91p/the-case-for-adaptive-regulations-framework-for-emerging-technologies-in-india-41d6124aef38>

CONCLUSION

India's platform economy is at a crucial moment that holds the potential to be transformative for inclusive growth, while simultaneously, experiencing systemic inequalities overall. This research demonstrates the dual characteristics of platform work, where it allows broader access to and creation of livelihoods and entrepreneurship, but also has the potential to continue the vulnerabilities that consist of India's enormous informal workforce. The research demonstrates that regulations must be approached delicately so that they can promote innovation and economic competitiveness, while also upholding worker security and social equity. Main findings suggested that rigid regulatory frameworks whereby job creation and foreign investment is hindered (like the initial challenges associated with GST compliance), while laissez-faire policies exacerbate precariousness (like algorithmic exploitation and lack of social protections).

Hybrid governance models such as portable benefits schemes and sectoral bargaining will present different approaches to protecting workers, whilst detaching protections from the modalities of traditional employment. These models would offer gig workers health insurance, pensions, and collective representation without compromising the flexibility that workers enjoy when working for platforms.

Further, the research identifies the lack of basic infrastructure and institutions in India as impediments. The urban-rural digital divide, gendered differences in access, and spotty application of schemes like the Social Security Code (2020) cap the efficacy of the regulations. These need to be met with policy interventions aimed at digital literacy and education, rural broadband penetration, and gender-mainstreamed policy solutions keeping in mind the concerns of safety of women and social norms restricting the participation of women.