

CHALLENGES OF LABOUR PROTECTION IN PLATFORM ECONOMY

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ABSTRACT

The platform economy has emerged as one of the most significant transformations in the global labour market, including in India. Companies such as Uber, Ola, Zomato, Swiggy, Flipkart, and Amazon have created new ways of connecting service providers with consumers through digital platforms. This system has given thousands of individuals, especially youth and migrants, a chance to earn income without traditional barriers to employment. However, this growth has also brought serious challenges. Unlike conventional employment, gig workers do not enjoy fixed wages, social security, or legal protection. They are typically treated as independent contractors rather than employees, which excludes them from essential benefits like health insurance, provident fund, paid leave, and retirement security. As a result, they remain highly vulnerable to sudden job loss, illness, accidents, and financial instability.

This article explores these issues in detail, focusing on the struggles of platform workers and the gaps in India's legal framework. It highlights the uncertain legal status of gig workers, the exploitation through long working hours and low earnings, and the lack of collective bargaining rights. The discussion also examines recent legislative developments, such as the Code on Social Security, 2020, and welfare initiatives at both state and central levels, while pointing out the limitations in implementation. Judicial responses from India and abroad are also reviewed to understand how courts are shaping labour rights in the digital age.

By analysing these aspects, the article argues that there is an urgent need for stronger laws, fairer policies, and responsible practices from platform companies. It concludes that balancing flexibility with security is essential to ensure dignity and justice for gig workers. The platform economy will continue to expand, but without adequate safeguards, it risks creating a class of workers trapped in insecurity and inequality.

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INTRODUCTION

In recent years, more and more people are working through apps and websites. They are delivering food, driving cabs, managing warehouses, or doing small online tasks. This new way of working is called the **platform economy**. Apps like Zomato, Uber, Ola, Swiggy, Flipkart, Amazon, give people work through their platforms. The people who do these jobs are called **gig workers** or **platform workers**. These workers do not have regular jobs like government employees or factory workers. They get paid for each task or delivery they complete.

While this system gives people a chance to earn, it also creates many problems. Most of these workers do not get job security, health insurance, provident fund, paid leave, or other benefits. If they fall sick or lose their job, there is no protection. Also, they often work long hours, face stress, and earn less money. This article explains the legal and social challenges that platform workers face and how the Indian legal system is dealing with it.

Understanding Platform Work

Platform work means working through digital apps or websites that connect service providers (workers) with customers. The platform acts like a middleman. The worker is not considered an employee but an independent contractor.

Example: A person driving for Ola or Uber uses the company's app to find customers. The app shows where to pick up and drop off. The driver makes money depending on how many trips he finishes. In traditional jobs, workers have fixed salaries, working hours, job contracts, and social security benefits. But platform workers are usually paid for each task and have no long-term agreement. This makes their life unstable.

Problems faced by platform workers

1. **No Job Security:** Workers can be removed or blocked from the app at any time without warning.
2. **No Health Benefits:** If they fall sick or meet with an accident, they get no financial help.
3. **Long Working Hours:** Many workers work more than 12 hours a day to earn enough money.
4. **Low Earnings:** Sometimes, after paying for fuel and other costs, they earn very little.
5. **No Voice or Union:** They cannot form unions easily or fight for better pay.

6. Unclear Legal Status: The law does not clearly say whether they are workers or not.

LEGAL FRAMEWORK IN INDIA

India has many laws to protect workers, but these laws were made before the platform economy became popular. Some of these are:

- **The Industrial Disputes Act, 1947**
- **The Employees' Provident Funds and Miscellaneous Provisions Act, 1952**
- **The Employees State Insurance Act, 1948**
- **The Code on Wages, 2019**
- **The Occupational Safety, Health and Working Conditions Code, 2020**
- **The Social Security Code, 2020**

Out of all laws, the **Social Security Code, 2020** is the most helpful for gig workers. It includes a new category called "platform workers" and says that the government can create welfare schemes for them.

Section 2(35) of the Code defines platform work as a form of work done using an online platform for payment and service delivery.

Section 109 talks about social security schemes for gig and platform workers like life insurance, health benefits, maternity benefit, old-age protection, etc.

But these laws are not fully enforced yet. Most workers still do not get any benefits because rules are not clear and there is no strong system to check violations.

JUDICIAL RESPONSES

Courts in India have not yet given many clear judgments on platform workers. But some decisions from foreign countries and some PILs filed in Indian courts show that changes are coming.

In *Uber BV v. Aslam, [2021] UKSC 5* (UK Supreme Court), the court said that Uber drivers are not just self-employed people but workers, so they must get minimum wage and other protections.

In India, the Supreme Court in **National Campaign Committee for Central Legislation on Construction Labour v. Union of India**, (2018) 5 SCC 607, discussed how workers in unorganised sectors need more protection.

In a more recent case, **Indian Federation of App-Based Transport Workers v. Union of India**, WP(C) 561/2021, the Supreme Court admitted a PIL asking for social security and labour protections for gig workers. The matter is still pending.

These cases show that the judiciary is becoming aware of the problems faced by gig workers and may take steps to protect them.

INTERNATIONAL DEVELOPMENTS

Other countries have also faced the same problem and taken action:

- **United Kingdom:** The Supreme Court ruled that Uber drivers are workers and deserve benefits.
- **Spain:** Made a rule that food delivery workers should be treated as regular employees.
- **California, USA:** Passed a law (AB-5) to classify platform workers as employees, but later passed Proposition 22 to reverse some parts.
- **European Union:** Drafted new rules in 2021 to protect platform workers and define their rights clearly.

WELFARE SCHEMES FOR PLATFORM WORKERS IN INDIA

Some state governments have started helping gig workers. For example:

- Rajasthan made a law in 2023 to give ID cards and help like insurance to gig workers.
- Telangana and Karnataka have discussed plans to create welfare boards for platform workers.

The **e-SHRAM portal** was launched by the central government to register unorganised workers, including gig workers. But many workers are still not registered. These steps are helpful, but we still need to do more.

NEED FOR STRONGER LABOUR LAWS

To protect platform workers, India needs:

1. **Clear Definitions:** Laws should clearly say who is a platform worker and what rights they have.
2. **Social Security Schemes:** All workers must get health insurance, pension, and accident cover.
3. **Grievance Redressal:** A system where workers can complain and get justice.
4. **Right to Unionise:** Platform workers should be allowed to form unions.
5. **Minimum Wage:** Platforms should pay workers at least the minimum wage fixed by law.

Without these protections, gig workers will remain poor and helpless.

TECHNOLOGY AND WORKER RIGHTS

Many platforms use algorithms to control how much work a person gets. If the worker refuses a task or gets a bad rating, they may not get more jobs. But workers do not know how these systems work. This creates fear and confusion. Because of this issue, many workers feel helpless and also unsure about their future. Giving them clear rules and support will make the system fairer and more just.

Workers should be told how the company makes its decisions. There should be transparency and accountability. The **European Union's Digital Services Act** and **AI Act** are good examples of how this can be done.

CONCLUSION

The platform economy is giving jobs to many people, especially youth, women, and migrants. But at the same time, it is creating a new group of workers with no protection or rights. These workers face long hours, uncertain income, and unsafe working conditions. They are often not treated as regular employees and are excluded from the benefits that normal workers get. This makes them very vulnerable.

In India, many people are moving to cities or using their mobile phones to find work on digital platforms. While this helps them earn money, it also creates insecurity in their lives. Most of these workers do not have written contracts, do not receive regular wages, and can be removed from the platform at any time. They have to manage all costs themselves, such as buying a vehicle, fuel, internet, or even safety equipment. India must act fast to create strong laws and systems that protect platform workers. Courts, government companies, and people should all help each other and work as a team. Only then will the digital economy be fair and inclusive for everyone.

The legal system in India is slowly trying to catch up with this new kind of work. The Code on Social Security, 2020, is one good step, as it includes gig and platform workers. However, the rules are not fully implemented yet, and many workers are still unaware of their rights. It is important that the government makes proper schemes and also spreads awareness among workers about the protections they can get.

Courts also have a big role in this. They can help by giving clear judgments that recognise platform workers as part of the labour force who deserve protection. When courts in other

countries have given strong decisions for gig workers, it has brought big changes. India can also learn from these examples and improve its system. At the same time, platform companies should take responsibility. They must provide fair wages, give safety kits, provide accident insurance, and create systems where workers can raise complaints without fear. Companies should also be transparent about how their systems work, such as how ratings affect work or how decisions are made about suspending workers.

People also need to realize how important gig workers are in our daily lives. We all use food delivery, online shopping, or taxi apps, and these services are possible only because of gig workers. These workers kept working even during the COVID-19 lockdown, delivering essential goods and helping society. They deserve respect and support from everyone. Trade unions, NGOs, and labour rights organisations can also help by guiding gig workers, teaching them about their rights, and supporting them in legal cases. They can also speak up for better laws and fair practices. This way, gig workers will not feel alone and will become stronger together. In the future, more jobs will be created in the digital economy. So, it is very important to build a system that balances flexibility and protection. Workers should have freedom to choose their work, but they should also have a safety net to fall back on in times of need.

India has the chance to become a global example by creating fair and inclusive rules for the platform economy. With strong laws, active courts, responsible companies, and aware citizens, we can build a system where gig workers are not left behind but are treated with fairness, dignity, and respect. This will not only help the workers but also create a stronger and more equal society.