

GENERAL STUDIES III

Gig Workers in India: Rights, Challenges & UPSC Notes

Faculty/Author: Faculty Editorial Board**Date:** 19 October 2026**Platform:** Civil Service Gurukul Research Wing**Reading Time:** 5 Mins

Understand gig workers in India, their economic role, social security framework and workplace challenges. Explore policy developments and key UPSC takeaways. Gig work creates income opportunities through flexible, task-based arrangements but raises concerns about earnings, safety and social protection. This article examines gig and platform workers, India's policy framework, implementation challenges, and measures to promote decent work.

Gig Workers in India: Balancing Flexibility and Social Security

CIVIL SERVICE GURUKUL | INDIAN ECONOMY & SOCIAL JUSTICE

A delivery rider completing orders, a driver accepting app-based trips and a freelancer undertaking short projects illustrate the changing organisation of work. Gig work creates opportunities, but also raises questions about income security, platform accountability and access to social protection.

UPSC relevance: GS Paper II — welfare policies and protection of vulnerable groups; GS Paper III — employment, inclusive growth and the digital economy; GS Paper IV — fairness and accountability.

Central issue: How can India preserve flexibility and innovation while ensuring that workers do not bear disproportionate economic and occupational risks?

In this article

- [Gig and platform workers](#)
- [Scale and economic significance](#)
- [Major challenges](#)
- [India's policy framework](#)
- [Way forward](#)
- [UPSC revision and practice](#)

1. Who Are Gig Workers?

Gig workers earn through work arrangements outside the traditional employer-employee relationship. Their work may involve individual tasks, assignments or projects rather than a conventional continuing job.

Gig work is not limited to low-skilled occupations. It can include delivery, transport, household services, design, software development and professional assignments.

Who are platform workers?

Platform workers undertake work arranged through digital platforms that connect service providers with customers. Examples include app-based ride-hailing and delivery services.

Gig work can also be arranged without a digital platform. Therefore, the two concepts overlap but should not be treated as identical.

Understanding different work arrangements

Category	Main feature	Illustrative example
Platform-based gig work	Tasks are mediated through a digital platform	App-based delivery or ride-hailing
Non-platform gig work	Assignments are arranged directly or through offline networks	An independent designer taking short projects
Traditional employment	Work takes place within an employer-employee relationship	A salaried employee on an establishment's payroll

Actual legal classification depends on the facts and applicable law. Calling someone a “partner” or paying per task does not by itself settle every employment-status question.

2. Scale of India's Gig Economy

NITI Aayog's 2022 report, *India's Booming Gig and Platform Economy*, estimated approximately **77 lakh workers** in the gig economy during **2020–21**.

It projected that the workforce could reach **2.35 crore by 2029–30**. The report estimated a 2.6% share of non-agricultural employment in 2020–21 and projected 6.7% by 2029–30.

Data caution: The 2020–21 figure is an estimate and the 2029–30 figure is a projection. Neither should be presented as a verified current headcount.

3. Why Has Gig Work Expanded?

- **Digital connectivity:** Smartphones and digital payments make matching customers with service providers easier.

- **Consumer demand:** E-commerce and on-demand services create demand for flexible service delivery.
- **Income needs:** Workers may use gigs as their main livelihood or as supplementary income.
- **Business flexibility:** Firms can coordinate services across changing locations and demand conditions.

4. Economic and Social Significance

A. Income opportunities

Gig arrangements can lower entry barriers to some occupations and offer work to people seeking additional income. However, access to tasks should be distinguished from stable and adequate earnings.

B. Support for the digital economy

Workers connect online transactions with real-world transport, delivery and household services. Their labour supports businesses and consumer convenience.

C. Potential inclusion

Flexible arrangements may help some students, caregivers and other workers participate in paid work. These opportunities depend on safety, connectivity, skills and genuine control over schedules.

5. Major Challenges Faced by Gig Workers

A. Uncertain net earnings

Task availability, incentives, commissions and operating expenses affect take-home income. Gross receipts can overstate earnings when workers pay for fuel, maintenance, equipment and mobile data.

B. Occupational risks

Road accidents, extreme heat, pollution, fatigue and pressure to complete tasks quickly can threaten worker safety. Losing working time can also mean losing income.

C. Algorithmic management

Platforms may use automated systems for task allocation, ratings, incentives and account restrictions. Workers may struggle to understand decisions that directly affect their livelihood.

D. Limited bargaining power

Standard contracts and dependence on platform access can limit workers' influence over payment terms. Individual flexibility may coexist with strong economic dependence.

E. Gaps in social protection

Irregular earnings and movement between platforms complicate insurance, pension contributions and continuity of benefits.

F. Gender and digital barriers

Safety concerns, unpaid care responsibilities, unequal access to vehicles and limited digital skills can restrict participation.

6. India's Social Security Framework

A. Code on Social Security, 2020

The Code explicitly recognises gig workers, platform workers and aggregators. Government reporting confirms that it came into force on **21 November 2025**.

It provides a framework for schemes addressing life and disability protection, provident insurance, health and maternity benefits, old-age protection and other specified welfare needs.

It also provides for a Social Security Fund and institutional arrangements for worker welfare. Actual access depends on the applicable scheme, eligibility conditions and implementation procedures.

B. Aggregator contributions

The statutory framework provides for aggregator contributions at a centrally notified rate between **1% and 2% of annual turnover**, subject to a ceiling of **5% of the amount paid or payable to gig and platform workers**.

The percentage range is a statutory financing provision. It should not be described as an identical flat charge automatically applying to every platform without reference to the relevant notification and conditions.

C. e-Shram registration

Launched on **16 August 2021**, e-Shram creates a national database of unorganised workers, including gig and platform workers. Registered workers receive a Universal Account Number.

An aggregator module introduced in December 2024 supports onboarding of platforms and their workers. Registration can facilitate identification and scheme delivery.

D. Health coverage announcements

Union Budget 2025–26 announced e-Shram registration, identity cards and extension of healthcare benefits under Ayushman Bharat–Pradhan Mantri Jan Arogya Yojana for online platform workers.

Government reporting in January 2026 described interoperability measures between e-Shram and PM-JAY, including verification and information exchange. A budget announcement should be distinguished from a worker's confirmed enrolment and entitlement.

Important distinction: Recognition under the Code or registration on e-Shram does not automatically make every gig worker a regular employee or confer every benefit available to salaried employees.

7. Why Is Implementation Difficult?

- Workers may operate on several platforms, making records and contributions harder to coordinate.
- Frequent entry, exit and migration complicate continuity of registration and benefits.
- Intermittent work makes stable contribution arrangements difficult.
- Central and state measures require coordination to avoid duplication and gaps.
- Low awareness and difficult claims procedures can prevent eligible workers from receiving support.

8. Way Forward: Flexibility with Decent Work

1. **Portable benefits:** Design protection that follows workers across platforms and locations.
2. **Transparent earnings:** Explain payments, commissions, deductions and incentive conditions clearly.
3. **Fair account decisions:** Provide reasons, notice where appropriate and accessible human review of restrictions.
4. **Safer work:** Support accident protection, rest facilities, health precautions and realistic delivery expectations.
5. **Worker participation:** Include worker representatives in policy design and grievance mechanisms.
6. **Responsible data use:** Protect personal information and explain consequential automated decisions.
7. **Skills and progression:** Offer training that improves earnings and opens alternative career opportunities.
8. **Outcome monitoring:** Track actual coverage, claims settlement, safety and net earnings alongside registrations.

9. Constitutional and Ethical Connections

The issue connects with the constitutional values of dignity, equality and social justice. Directive Principles concerning livelihood, public assistance and humane working conditions provide a useful policy lens.

For ethics answers, examine the responsibility of platforms, consumers and government when convenience depends on workers facing economic or physical insecurity.

10. UPSC Prelims: Quick Revision

- Gig work need not involve a digital platform.
- Platform work is mediated through digital platforms.
- Gig workers can perform skilled professional tasks.
- NITI Aayog's 2.35 crore figure is a 2029–30 projection.
- e-Shram registration and benefit entitlement are different.
- Social security recognition does not automatically determine employment status.
- Net earnings account for work-related expenses.

Practice Question

Consider the following statements:

1. All gig work necessarily takes place through a digital platform.
2. Registration on e-Shram automatically establishes a traditional employer-employee relationship.
3. NITI Aayog's 2022 report projected a gig workforce of 2.35 crore by 2029–30.

Which statement or statements are correct?

- A. 1 only
- B. 1 and 2 only
- C. 3 only
- D. 1, 2 and 3

View answer and explanation

Correct answer: C. 3 only. Gig work can be arranged offline. e-Shram registration supports worker identification but does not itself establish employment status. The NITI Aayog figure is a projection.

11. UPSC Mains Practice

Question: "The expansion of India's gig economy requires a shift from platform-centred flexibility to worker-centred social protection." Discuss. (250 words)

- **Introduction:** Define gig work and explain its growing role.
- **Benefits:** Discuss income opportunities, service access and digital economic activity.
- **Concerns:** Examine earnings, safety, bargaining power and algorithmic management.
- **Policy:** Explain the Code, e-Shram and implementation gaps.
- **Reforms:** Recommend portable protection, transparent contracts and meaningful worker participation.

Conclusion

Gig work is an important part of India's changing labour market. Its long-term contribution depends on whether flexibility is accompanied by fair earnings, safety, accountable platforms and accessible social protection.

Civil Service Gurukul

Conceptual clarity for UPSC and competitive examinations.

CIVIL SERVICE GURUKUL

UPSC Preparation • Current Affairs • Mentorship • Test Series

Website: www.civilservicegurukul.com • Email: info@civilservicegurukul.com • Mobile: +91 9911020626