



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

The Impact Of The Gig Economy On Indian Labor Laws

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INTRODUCTION

In India, the gig economy which is defined by freelance employment and short-term contracts has grown rapidly. The way individuals work and make money has changed dramatically because to platforms like Up work, Ola, Uber, and Swiggy. Nevertheless, a number of legal and regulatory issues have emerged as a result of this change. Regarding standard labour protections, gig workers—who are frequently categorized as independent contractors—find themselves in a dangerous position. This essay seeks to explore the intricacies of India's gig economy, the consequences for current labour laws, and the urgent need for legislative changes.

WHO ARE GIG WORKERS?

Gig workers refer to the workers outside of the traditional employer-employee relationship including freelancers, workers who are employed on a contractual basis with their employers, project based work and short term work. Most commonly, platform based work where workers earn money by providing specific services, including food delivery services like Zomato, Swiggy or e-commerce platforms such as Amazon, Flipkart etc., use gig workers. A 2017 Ernst and Young study on the “Future of Jobs in India” even found that 24% of the world’s gig workers come from India.

The gig economy allows different people across cities, age groups, and skill sets to pick up work without being tied down to one single project. Those just entering the workforce find it easier to find gig work than conventional jobs that need some amount of work experience.

THE GIG ECONOMY IN INDIA: AN OVERVIEW

India's gig economy has grown significantly as a result of the widespread use of smartphones and the internet marketplace. In the gig economy, people frequently work in industries including digital marketing, ride-sharing, food delivery, and freelance writing. Although these positions are flexible, they are also unpredictable and frequently have insufficient labour laws. A gig economy's output includes more affordable, effective, and adaptable services that can provide customers with a quick and distinctive substitute for traditional, standardized business. It is also a very well-liked option among younger people because it can only be accessed via the internet. It is estimated that roughly one-third of the population in the US works in gig economy capacity. It is anticipated that the number would increase as more businesses use independent contractors to cut costs and save time. Over the past five years, the gig economy has been increasingly popular and is now a popular means for people to supplement their income. More specifically, an estimated 1.6 million workers globally receive their income from the gig economy.

CHALLENGES FACED BY GIG WORKERS

Gig workers in India confront a range of challenges, including:

- **Lack of Social Security:** Gig workers often lack access to traditional employee benefits such as health insurance, retirement plans, and paid leave.
- **Uncertainty of Income:** Gig work can be unpredictable, with income fluctuations and no guarantee of a stable livelihood.
- **Ambiguity in Employment Status:** The classification of gig workers as independent contractors instead of employees leads to legal ambiguity regarding their rights and entitlements.

GIG WORKERS UNDER THE AMBIT OF CONTRACT LABOUR ACT, 1970.

In India, the Contract Labour (Regulation and Abolition) Act, 1970 governs the use of contract labour, including work performed by independent contractors. This regulation allows gig workers who work for platforms to be considered "contractors." Employers are therefore required to abide by the provisions of this legislation, which include duties related to employee welfare and health, such as providing canteens and first aid. However, neither the majority of platforms nor any Indian court have addressed this law as of yet.

Employers are required by the Employment Compensation Act, 1923, to compensate employees for accidents that occur during work-related activities. The determination of whether this statute applies to gig workers is still pending. If this does apply to gig workers, it would go a long way in ensuring compensation for occupational safety hazards.

GIG WORK UNDER THE NEW LABOUR CODES

The new Labour Codes of 2019 defines a gig worker as “A person who performs work or participates in a work arrangement and earns from such activities outside of traditional employer-employee relationship”. While gig workers will receive certain safeguards, such minimum wages, important occupational health and safety protections are still unaddressed. Gig workers will receive plans, including life and disability protection, that are announced by the State and Central Governments after the new labour Code is notified.

Regulation of gig work is still necessary to guarantee that these workers have the same chances and protections as other employees protected by various labor laws in India, even though gig employment has become essential for both the workers and the platforms that hire them. With the development of technology, labor issues will only multiply and take on new forms. putting forth policy frameworks and legislative instruments, as well as a review of the new Code is essential in ensuring the protection of rights of gig workers.\

THE NEED FOR REGULATORY ADAPTATIONS

To ensure that gig workers in India are not left vulnerable, there is a pressing need for regulatory adaptations. This includes:

- **Defining Gig Workers:** Clear and comprehensive definition for gig workers in labour laws to determine their eligibility for social security benefits and protections.
- **Access to Social Security:** Developing mechanism for gig workers to access social security benefits such as health coverage, retirement plans, and unemployment benefits.
- **Collective Bargaining Rights:** Exploring avenues for gig workers to collectively bargain for better working conditions and fair compensation.
- **Dispute Resolution Mechanisms:** Establishing efficient dispute resolution mechanisms that cater to the unique needs of gig workers.

CONCLUSION:

The gig economy has achieved a change in perspective in the realm of work, offering adaptability yet in addition bringing up complex issues about work privileges and securities. In order to accommodate the expanding gig workforce, India's existing labour laws, including the most recent Code on Wages, must be modified. Administrative changes are important to guarantee that gig labourers approach government managed retirement, fair remuneration, and the capacity to voice their interests altogether. India has the ability to strike a balance between embracing the potential of the gig economy and safeguarding the rights and welfare of its workforce by addressing these obstacles and making the necessary adjustments.