



FROM WELFARE STATE TO GIG ECONOMY: THE DECLINE OF COLLECTIVE BARGAINING IN INDIA

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ABSTRACT

This paper examines India's employment legislation transition from protective social welfare frameworks to the present-day erratic conditions of the gig economy. Following Indian independence, the welfare model established systematised employee rights and strengthened trade union influence across the country. Swiggy, together with Uber and Ola, helped launch widespread decentralised workforces that currently operate outside traditional labour law standards. The analysis discusses the destructive consequences platform work creates for labour unity and negotiation strength. In the present classification system, independent contractors who operate as gig workers fail to qualify for minimum wage protections and health benefits or social security coverage. The paper conducts a literature review of gig worker exposure, then it evaluates various legal standards while focusing on The Code on Social Security, 2020 and The Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023. The study examines digital-age policy modifications through doctrinal qualitative analysis and judicial developments, along with worker activism patterns across different time periods. The paper investigates legal deficiencies and proposes restructuring employment classification to grant negotiation capabilities for platform workers. The research shows decentralisation has led to digitalised forms of worker resistance, thereby showing a decrease in traditional trade unions, but collective action persists because it transforms through digital structures. A developed modern labour system in India requires updated laws that align with current workplaces to protect flexible employees from deteriorating rights alongside economic instability and loss of public welfare benefits.

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INTRODUCTION

This research paper studies the radical transformation that happened to India's worker environment, which involved shifting from traditional welfare protection systems to fragmented yet unreliable flexible job markets. Since India gained independence, the welfare model has established both formal legal protections for workers and robust union institutions. Digital platforms, including Swiggy, Uber and Ola, have changed employment connections with their swift rise, thus creating a new fragmented labour force that mostly operates beyond official labour protections.

The paper studies the destructive impact platform work has on traditional collective bargaining systems and employee solidarity. Workers designated as independent contractors for gig roles have no access to basic employee protections, including minimum salary and benefits and social protection. The research examines the current literature about gig worker vulnerabilities while assessing the Code on Social Security, 2020, along with analysing the Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023 and other state-specific laws.

The research examines policy direction and judicial movement, and worker advocacy changes during the digital transformation based on qualitative doctrinal analysis and comparative legal research. The research performs a legal shortfall evaluation before recommending employment classification reform to establish collective bargaining possibilities for software workers. The research explores digital decentralised worker resistance forms, which indicate traditional unions' decline but not abandonment of collective action, since workers are adopting alternative methods of resistance. The paper demonstrates that the Indian gig workforce's dwindling rights will persist because legal systems need to adjust to modern workplace conditions.

LITERATURE REVIEW

The research by Chirag HB, Utsav Chandrappa, and Bhargav A R evaluates the insecure labour conditions of Indian gig workers through An Analysis of the Labour Rights of Gig Workers in India. The paper explains that the gig economy continues to grow quickly, while its workforce will expand from 7.7 million to 23.5 million between 2029–30. Growth in the gig economy has

occurred even though those who work as giggers face a lack of both social security coverage and access to legal safeguards. The paper analyses the unclear employment definitions for gig workers while it assesses the Code on Social Security (2020) implementation delay. The study executes a comparative analysis to justify comprehensive legal reforms which protect the rights of those who work as digital contractors.¹

The paper by Vidhi Rane, entitled Platform-based Gig Workers: A Blind Spot in the Indian Labour Laws analyses the uncertain status of gig workers who work in India. Gig workers face problems because of their unprotected and ambiguous working arrangement, which includes unfair labour schedules and wage inequalities and inadequate social protections. The author stresses the immediate necessity for new laws to redefine gig workers as employees because it would provide them with the necessary workplace rights and protections. Using the Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023, as the main example, the paper presents evidence for a possible national-level framework reform.²

Platform economy workers in India's delivery system become the focus of Chintala's (2023) research to understand current collective action development patterns. The study investigates the negative effects on traditional unions triggered by informal workplaces, along with algorithmic controls and exemptions from legal representation. The research detects new forms of worker solidarity through digital platforms and platform-designated activities. The paper uses case studies and first-hand labour encounters to demonstrate how platform workers create new collective action strategies for gaining rights and dignity. This research shows that labour law must change immediately to match the present-day operations of platform work systems.³

The paper The Need for Recognition of Labour Rights for Online Gig Workers in India – A Right-based Approach from Abhishek Sharma Padmanabhan and Prof. (Dr.) Sapna S. presents a detailed argument about the difficult circumstances encountered by digital economy workers in India. The paper demonstrates that meaningful labour protections do not exist for these workers since COVID-19 made their risk exposure more evident. The authors support a

¹ Chirag, H. B., Chandrappa, U., & Bhargav, A. R. (2023). *An analysis of the labour rights of gig workers in India*. SSRN. <https://doi.org/10.2139/ssrn.4558703>

² Rane, V. (2023). *Platform-based gig workers: A blind spot in the Indian labour laws*. SSRN. <https://doi.org/10.2139/ssrn.4821229>

³ CHINTALA, S. R. (2023). Emerging Patterns of Collective Action in India's Platform Economy: A Study of Drivers and Delivery Workers. *Relations Industrielles / Industrial Relations*, 78(3), 1–19. <https://www.jstor.org/stable/27297427>

framework based on rights which demands both legal recognition and extensive social security measures to guarantee proper treatment for gig workers in modern labour conditions.⁴

Sanjaya and Kumar (2024) examine in their paper *Gig Labour in India: Opportunities and Challenges* the fast-growing gig economy in India, which stems from Uber, Ola, Swiggy and Zomato digital platforms. The authors demonstrate how gig work allows people from different backgrounds, such as students and homemakers and retirees, to benefit from flexible work and economic freedoms. Gig workers face two major issues because they lack employment security, together with basic social benefits and remain susceptible to digital management exploitation through rating systems. The paper promotes detailed regulatory systems together with specific social safety measures, which should specifically address the demands of this particular type of work while protecting worker wellbeing.⁵

Pant and Majumder (2022) examine the Indian Gig economy's human resource aspects by studying new workforce-oriented themes and stories within its evolving structure. Gig work comes with both freedom and flexibility, but it entails abandoning job security and established work benefits. The authors examine how organisations respond to their workers and how employment relations play out, and how Human Resources strategies at work create conditions for the workplace experiences. Modern technological developments have created a rising conflict regarding labour rights, according to the authors, whose research demonstrates why India needs flexible human resources solutions that adapt to its societal conditions alongside its changing work environment.⁶

Social Protection Measures for Gig Workers and Inclusive Economic Growth in India investigates the relationship between social welfare programs and Indian platform-based labourer economic success in a research report, which Sanchita Chatterjee, Tasmita Sengupta and Debashree Hazarika created. The researchers conducted a detailed survey of 500 platform-based workers throughout five Indian states to reveal major problems in their employment, such as unstable work arrangements as well as insufficient payment, and restricted access to

⁴ Padmanabhan, A. S., & Sapna, S. (2023). *The need for recognition of labour rights for online gig workers in India – A right-based approach*. ResearchGate. https://www.researchgate.net/publication/375742711_The_need_for_recognition_of_Labour_Rights_for_Online_Gig_Workers_in_India_-_A_Right_based_approach

⁵ Sanjaya, K., & Kumar, A. (2024). *Gig labour in India: Opportunities and challenges*. ILE Labour Law Review, 3(1), 1–7. <https://doi.org/10.5281/zenodo.12606489ResearchGate>

⁶ Pant, J. J., & Majumder, M. G. (2022). Themes and narratives of gig economy: An Indian HR perspective. *NHRD Network Journal*, 15(1), 83–99. <https://doi.org/10.1177/26314541211064751> (Original work published 2022)

public assistance programs. The authors promote stakeholder coordination to develop worker competencies while improving public structures alongside specific welfare programs that boost economic development through the inclusion of gig workers in the economy.⁷

Anand Pawar and Ankit Srivastava critically review the insecure situation of Indian gig workers from a legal perspective while analysing the current employment system. Traditional Indian labour laws, which revolve around established employer-employee relationships, prove inadequate for the protection of workers who perform platform-based jobs. It presents a comparative analysis between India's laws and international trends, including regulatory changes observed in both UK and EU legislation. The authors promote new rules defining employment relations and support a combination of regulatory flexibility and worker rights. The authors contribute an enhanced understanding of debates regarding digital-age work rights and collective bargaining procedures.⁸

RESEARCH METHODOLOGY

The research adopts a qualitative doctrinal method to analyse secondary data resources. Labour law changes from welfare-based systems towards the modern gig economy are documented by analysing legal texts together with policy documents and government reports, in addition to academic literature. The paper examines domestic and international collective bargaining procedures using a method that depends on legal research. The study of the Rajasthan Platform-Based Gig Workers Act, 2023 and additional case examples helps establish current labour regulations in India while supporting enhanced worker protection standards.

RESEARCH OBJECTIVES

1. This research analyses the conversion of India's welfare state system to its gig economy role in destroying the collective bargaining foundation for its workers.
2. The research examines the existing legal and policy faults within India's current labour laws when protecting the rights of gig workers, particularly through collective action measures and social security standards.

⁷ Chatterjee, S., Sengupta, T., & Hazarika, D. (2024). *Social protection measures for gig workers and inclusive economic growth in India* (Technical Report No. 2409). CUTS Centre for International Trade, Economics and Environment. <https://doi.org/10.13140/RG.2.2.24973.45282>

⁸ Pawar, A., & Srivastava, A. (2022). Gig workers and employment laws: An Indian perspective. *SML Law Review*, 5, 88.

ANALYSIS

Legal Transition: From Welfare-Oriented Frameworks to Precarious Gig Work: Since the post-independence era, India has transitioned from using welfare-based labour laws to maintaining a divided system which fails to defend the rights of platform workers. Indian labour regulation established its core principles after 1947 based on socialist principles as well as the Directive Principles embedded in the Constitution. The principles supported employee compensation at a living wage standard, together with protected working environments and freedom to establish labour unions. The Industrial Disputes Act (1947) and Factories Act (1948), together with the Minimum Wages Act (1948), were created to shield formal sector workers while strengthening trade unions because employers possess structurally higher power than employees.

These welfare-focused laws required an established employer-employee relationship, which primarily existed in factories or other institutional workplaces. Trade unions received statutory approval and gained the authority to settle employment conditions through group negotiations with employers. The State undertook extensive regulatory functions to protect labour rights by establishing comprehensive laws that regulated employment disputes together with workers' conditions, and providing both the Employees' Provident Fund Act 1952 and the Employees' State Insurance Act 1948 as social security measures.

Neoliberal economic reforms brought about changes in labour market flexibility when they emerged in the 1990s. The policy reforms continuously reduced the strict requirements of previous labour laws in order to improve business operations and attract investments. The gig economy represents the outcome of this movement as companies employ language calls partners and independent contractors to conceal employment nature from employees. Through their digital platforms, Swiggy and Zomato, together with Ola and Uber, operate in a manner which avoids standard employment responsibilities through their system construction.

The situation has grown increasingly uncertain after the introduction of labour codes in 2020, especially through the Code on Social Security, 2020. The Code represents an advanced approach to recognising both platform and gig workers as independent entities, but its execution faces delayed processes alongside unaligned implementation standards. The Code denies gig workers complete employee status, which keeps them from obtaining job benefits, including bargaining rights and secure pay, along with workplace protection. Due to its

operational design, the gig economy creates systematic decay regarding the constitutional fundamental right to dignified work.

National-level regulatory protections for gig workers do not exist, which enables states to determine their own protocols for protecting this workforce. The Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act 2023 introduces new protections to platform worker rights, but it applies only to a specific geographical region and cannot enforce its regulations without active central support.

Erosion of Collective Bargaining: Structural and Legal Setbacks: The adoption of platform-based jobs alongside traditional welfare programs destroyed the essential structure for workforce unionisation throughout India. Industrial workers in the formal sectors could use unionisation to negotiate wages and secure fair working standards, as well as conduct lawful strikes because of collective bargaining. The combination of structural components in the gig economy work system, with an uncertain worker classification status, completely removed the vital right of bargaining collectively.

Not being considered an independent contractor stands as the key factor preventing the classification of gig workers as regular employees. Labour protection laws fail to apply to workers under their designated platforms because the Industrial Disputes Act, 1947, offers exclusive rights to unionise and negotiate to employees. The status of independent contractors precludes them from Trade Unions Act coverage because platforms classify workers as non-employees, undermining unionisation possibilities. The system of design at Uber and Ola, and Swiggy enables these platforms to avoid employer duties while enforcing employee performance standards through algorithmic evaluation procedures and disciplinary actions, thus facilitating algorithmic management.

Legal regulations currently block unregulated workers from forming collective groups that could secure suitable representation. While the 2020 Indian Code on Social Security acknowledges platform workers, it fails to grant these workers' rights to collective bargaining. Employee status is missing from the proposal since it would have brought worker entitlements to basic labour protections. The officially established registration platform and welfare fund proposals have no effective implementation measures that would enable operational use.

The issue of extending collective rights to platform workers receives minimal court recognition in most jurisdictions, though UK courts followed a different path when they decided Uber BV

v. Aslam (2021).⁹ Platform workers derived certain employee rights from the decision by Aslam (2021). Gig workers in India lack judicial backing for their collective bargaining rights since the courts have not released any decisive rulings on this issue. A lack of a legal framework between platform companies and their workers increases the power inequality while hindering worker exposure to mediation services.

Gig worker resistance exists in different ways rather than being completely absent. Platform workers have started to create unofficial digital synergies for organising protests and work stoppages through text-based communication tools. The Gig Workers' Association, along with All India Gig Workers Union (AIGWU), serve as a new solidarity network despite their non-governmental status.

Policy Gaps and Inadequacies in Worker Protection: Historically, India established its labour protection framework to protect formal employees through conventional workplace arrangements. The surge of platform work through the gig economy has exposed fundamental deficiencies in both policies and labour legislation that protect digital workers. The worker classification system denies gig workers employee status, so they must exist outside core protections such as minimum wage and health insurance, pension benefits, as well as collective bargaining rights.

The Code on Social Security, 2020, represents the biggest government effort to date because it established platform workers and gig workers as their own separate categories of employees. The exemplary recognition of these workers by lawmakers exists without sufficient clarity regarding their actual on-the-ground implementation. The social security resources for gig workers outlined through the Code remain voluntary schemes that states and central governments need to devise independently. The implementation of benefits depends on the central and state governments creating particular schemes, although the majority of these have not been operationalised yet. The industry that employs temporary workers exists in a regulatory blind spot because the law formally recognises these workers, while existing schemes provide no practical support.

Different state governments enforce divergent safety measures since there is no unified policy at the national level. The Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023, now requires platform-based providers to establish a welfare board using their

⁹ Uber BV v. Aslam, [2021] UKSC 5

funding to handle the registration of gig workers in the state. The pioneering law faces two major disadvantages since it only covers a specific location and fails to establish effective distribution protocols or conflict resolution systems for workers and platforms. The legislation fails to establish an effective balance between platform companies and their gig employees, who maintain full authority over rating systems and work assignments, thus maintaining unstable work conditions for gig employees.

Gig workers lack proper representation and the ability to express themselves because of their current employment status. According to current labour law provisions, these workers lack employee designation, allowing them no right to unionise or negotiate using recognised trade unions defined by the Trade Unions Act, 1926. The lack of legal representation under the Trade Unions Act, 1926, limits collective action by workforces, thereby limiting their access to dispute resolution avenues.

The fragmented method through which law experts and scholars defend the protection of gig workers seems insufficient. The regulatory void requires complete national legislation, which should create employment classification definitions while securing workers' access to basic rights regardless of their employment type, according to Chirag HB et al. (2023). Vidhi Rane (2023) argues that fractured welfare policies between state and central authorities create an immediate need for unified policies to safeguard the rights of gig workers.

Emerging Digital Resistance and the Future of Labour Rights: Traditional labour institutions within India's gig economy have deteriorated so much that collective bargaining, along with formal unionisation, has dramatically fallen. The decreasing number of worker resistances does not mean their opposition has completely disappeared. Gig workers establish novel strategies of digital resistance which stem from the digital resources provided through their employment structure. The labour market transition demonstrates how employees are moving from traditional trade unions toward digital collaboration through decentralised organised labour activities, which reshape modern 21st-century labour organising.

The legal system keeps independent contractors who work as gig workers separate from traditional union rights and bargaining agreements. These workers now prefer digital communication tools such as WhatsApp and Telegram as well as Twitter (X) and Facebook groups to establish grassroots networks which distribute complaints regarding working conditions while planning job actions and advocating for better employment standards.

Through digital mobilisation, workers can set up leaderless horizontal structures that easily bypass suppression from authorities and platforms.

Swiggy and Zomato delivery workers in India use digital platforms like WhatsApp and Telegram to coordinate shutdowns of service operations so they can protest about pittance delivery rates and medical protection shortages throughout main cities. These disruptive actions begin online before they spread virally, which draws media involvement to force platforms into informal agreements about working conditions. Upper and Ola operators have implemented both ride termination protests and social posting of income information to expose wage inequality, along with app usage control issues.

Scholarly experts describe such collective action as "networked collectivism" because these communities exist digitally without fixed institutions (Chintala 2023). New-age digital unions, along with platform councils, must receive legal recognition because they challenge outdated concepts about collective bargaining representation for modern workers.

Future policies concerning labour rights in India should integrate existing resistance structures into their framework. Governments, along with judicial bodies, need to accept digital assembly rights while providing transparent algorithms and should explore partial employment rights that protect workers while maintaining company flexibility. Labour departments can establish public mobile platforms that let workers report exploitation secretly and gain access to collective advantages.

Spain's "Riders' Law" has demonstrated a way forward by making gig workers employees, while the EU moves toward new directives that strengthen platform worker rights. India needs to reform its laws, together with its dispute-settlement procedures, to ensure digital resistance fits within the broader framework of labour rights.

CONCLUSION

Welfare state to the gig economy led to substantial workforce changes that undermined established ways for mutual employee-boss agreement. During current times, the introduction of the gig economy illustrated an irregular workforce structure, including labourers who operated outside traditional labour safety protections. Platform workers in Swiggy, Ola and Uber encounter greater dangers since the new system took away their essential labour rights for wage protection, social safety security and health coverage.

The essay shows that India's present legal system does not provide sufficient methods to regulate platform work structures. The classification of gig workers as independent contractors deprives them of recognition under traditional employment laws. The Code on Social Security (2020) as well as the Rajasthan's Gig Workers Welfare Act (2023) represent advances yet fail to secure adequate worker protection while lacking proper employee bargaining systems.

The struggle continues to develop. Protectors of gig workers employ digital platforms and social media, and messaging groups to stage demonstrations which advance their cause to the public. Modern work resistance through institutionalised digital networks showcases the current formation of worker solidarity in today's workforce that continues seeking representation in all types of employment.

Modern working patterns require legal systems to update their employment classifications so they can conduct digital collective bargaining via formal institutions. Through an inclusive policy framework, India can achieve worker dignity plus innovative flexibility within a framework that retains workplace fairness to protect fundamental labour rights during economic growth.

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