SJIF Impact Factor (2025): 8.688| ISI I.F. Value: 1.241| Journal DOI: 10.36713/epra2016 ISSN: 2455-7838(Online)
EPRA International Journal of Research and Development (IJRD)
Volume: 10 | Issue: 6 | June 2025 - Peer Reviewed Journal

A STUDY OF WELFARE MEASURES FOR GIG WORKERS IN INDIA

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Article DOI: https://doi.org/10.36713/epra22084
DOI No: 10.36713/epra22084

ABSTRACT

This paper examines the evolving welfare measures for gig workers, focusing on legislative frameworks, government initiatives, and the challenges faced in implementation. The study highlights the Code on Social Security, 2020 (CoSS) as a ground breaking policy that formally acknowledges gig workers and mandates social security provisions. The study includes analysis of various secondary data collected from government reports, academic research, and news articles as well as evaluation of effectiveness of initiatives such as the E-Shram portal registration drive, healthcare benefits under Ayushman Bharat, and proposed pension contributions. However, these initiatives encounter challenges, including inconsistent implementation across different states, ambiguous regulations, low levels of worker registration, and ineffective enforcement. To genuinely support gig workers, it is essential for the government, corporations, and the workers themselves to collaborate, leveraging improved technology, financial services, and skills training. The study concludes that the gig economy in India offers flexibility and income but lacks adequate worker protection and social security. While recent legal and institutional measures mark progress, their impact is limited by poor implementation and coordination. A robust welfare system demands joint efforts from the government, private sector, and workers, underpinned by digital and financial inclusion.

KEY WORDS: *Gig Economy, Gig Workers, Social Security Code, Welfare Measures.*

1.0 INTRODUCTION

1.1 India's Gig Economy

A gig economy is defined as a free market environment where temporary employment is widespread, and businesses hire freelancers for short-term roles. The term 'gig' has become synonymous with temporary job assignments and historically, this term has been used by musicians to refer to a live performance. In this employment structure, companies prefer to utilize temporary staff rather than full-time employees, resulting in a labor force of gig workers who frequently engage in side hustles. A gig worker refers to an individual who participates in income-generating activities that fall outside the conventional employer-employee framework, including those in the informal sector (Ministry of Labour and Employment, 2020a). When these workers utilize platforms—such as websites or applications like Ola, Uber, Dunzo, Zomato, Swiggy, or Urban Company—to connect with clients, they are identified as platform workers (OECD, 2019).

According to Chapter I, Section 2(35) of the Code on Social Security, 2020, a gig worker is defined as 'an individual who engages in a work arrangement and derives income from such activities outside of a traditional employer-employee relationship.' This definition, however, does not provide a precise identification of gig workers, yet it distinctly differentiates them from regular employees and other categories of non-employee workers.

In India, four key sectors are identified as having the greatest potential for generating 'gigable' jobs in the future: Construction, Manufacturing, Retail, and Transportation and Logistics. Collectively, these sectors are projected to create over 70 million potential 'gigable' jobs (BCG and Michael & Susan Dell Foundation, 2021). Nevertheless, the gig economy is rapidly growing, with its influence extending into other industries such as textiles, banking and financial services, utilities like electricity, gas, and water, as well as real estate, IT and ITES, education, and personal services (IBEF, 2021).

India's gig economy has seen remarkable expansion, propelled by digital advancements, urban growth, and changing labor preferences. In the period of 2020–21, it was estimated that about 7.7 million individuals participated in gig work, representing 1.5% of the overall workforce in India. Forecasts indicate that this number may rise to 23.5 million by 2029–30, which would constitute

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4.1% of the workforce. Gig workers are engaged in a variety of sectors, including ride-hailing (Ola, Uber), food delivery (Zomato, Swiggy), and freelance services (Urban Company). Unlike traditional employees, these workers function outside the conventional employer-employee framework, leading to income fluctuations and a lack of social security benefits. Despite the notable growth in this sector, gig workers face significant hurdles, including low pay, inadequate social security, and limited retirement options.Recent policy initiatives, such as the Code on Social Security 2020 and the introduction of the e-Shram portal for registration, signify a growing awareness of the need to formalize welfare protections for this workforce.

1.2 The Code on Social Security 2020: A Landmark Framework

The Code on Social Security, 2020 (CoSS) represents a watershed moment in Indian labor legislation, particularly for gig workers. This comprehensive reform integrates nine previous labor laws related to social security into a single cohesive framework. For gig workers, the most significant aspect of this legislation is the formal recognition and legal definition of 'gig worker' and 'platform worker' categories for the first time in Indian labor law. The Ministry of State for Labour and Employment has emphasized that this formal definition establishes the foundation for extending social security benefits to this previously unrecognized workforce. The Code has deliberately widened coverage beyond traditional employees to include unorganized sector workers, fixed-term employees, gig workers, platform workers, and inter-state migrant workers.

1.3 Key Provisions Related to Gig Worker

The Social Security Code includes provisions for establishing a dedicated social security fund designed to provide various benefits to gig and platform workers. These benefits include:

1. Health and disability coverage
2. Accident insurance protection
3. Maternity benefits
4. Old age protection measures
5. Other welfare benefits as determined by the government

The Code outlines the establishment of welfare programs that include life and disability insurance, accident insurance, health and maternity benefits, old age protection, and additional welfare initiatives as specified by the government. It additionally establishes a Social Security Fund aimed at funding the welfare scheme. Section 113 of the Code on Social Security, 2020 outlines the registration process for unorganized workers, gig workers, and platform workers.

1.4 National Initiatives for Gig Worker Welfare

1.4.1 The E-Shram Portal Registration Campaign

It is a fundamental aspect of the government's strategy to formalize the unorganized sector, which includes gig workers. Introduced by the Ministry of Labour and Employment in August 2021, this portal is designed to establish a comprehensive National Database of Unorganised Workers (NDUW). By December 2024, the portal had successfully registered over 30.48 crore workers, making it the largest database of unorganized workers globally.

In April 2025, the Labour Department initiated a targeted campaign aimed at gig and platform workers to encourage their registration on the E-Shram portal. This initiative seeks to integrate gig workers into the formal social security system by:

1. Creating a verified database of gig workers linked with Aadhaar
2. Enabling the targeted delivery of welfare schemes
3. Facilitating access to social security benefits
4. Promoting financial inclusion for workers who were previously excluded

The registration process is free and available to gig workers aged 16 to 59, requiring the submission of an Aadhaar number, PAN, and an Aadhaar-linked mobile number. This organized registration is essential for extending benefits to this previously untracked workforce.

Furthermore, a pilot initiative has been launched to register platform workers and their employing aggregators on the e-Shram portal. Four prominent aggregators—Urban Company, Zomato and Blinkit have already engaged in this pilot program, showcasing a collaborative effort between the government and private platforms to improve worker welfare.

1.4.2 Healthcare and Insurance Benefits

The Union Budget 2025 has introduced important healthcare measures for gig workers by incorporating them into the Pradhan Mantri Jan Arogya Yojana (PM-JAY), also referred to as Ayushman Bharat. This health insurance initiative offers extensive coverage for

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medical expenses, delivering essential financial protection against healthcare costs that can be overwhelming for individuals lacking formal employment benefits.

In addition to health insurance, gig workers who are registered on the E-Shram portal can benefit from accidental insurance coverage. This coverage provides financial assistance to workers and their families in the event of accidents resulting in disability or death, addressing a significant vulnerability associated with gig work, especially for delivery personnel and other mobile workers.

1.4.3 Pension and Social Security Contributions

To tackle concerns regarding long-term financial security, the government is set to introduce an innovative social security contribution system tailored specifically for gig workers. This system mandates that platforms employing gig workers withhold a designated percentage of worker payments and deposit these funds into the Employees' Pension Scheme. To enhance this provision, the government intends to contribute an additional 3-4% matching amount in addition to the platform's deposit.

This pension framework is particularly crucial for gig workers who generally do not have access to retirement benefits. By establishing a structured contribution system, the government seeks to ensure that gig workers can accumulate financial security for their retirement, despite the unconventional nature of their employment relationships.

1.5 State-Level Initiatives and Regulations

While the central government has set the broad framework for the welfare of gig workers, various states have enacted additional measures through legislation tailored to their specific contexts.

1.5.1 Rajasthan's Platform-Based Gig Workers Act

Rajasthan has taken the lead in providing state-level protections for gig workers with its Platform-Based Gig Workers (Registration and Welfare) Act, 2023. This law establishes a thorough framework aimed at safeguarding gig workers at the state level, focusing on issues pertinent to platform-based employment relationships and local working conditions.

1.5.2 Karnataka's Gig Worker Legislation

Karnataka has similarly pursued legislative action to safeguard gig workers through a bill that requires formal registration, mechanisms for grievance resolution, and clear contractual agreements. Nonetheless, the bill has been criticized for categorizing gig workers as independent contractors instead of employees, thereby excluding them from essential labor protections afforded to regular employees.

1.6 Corporate Initiatives and Industry Responses

Apart from government interventions, various companies engaged in the gig economy have launched their own welfare initiatives. Leading platforms like Amazon, Flipkart, Zomato, and Swiggy have made efforts to enhance the working conditions for gig workers by providing:

1. Protective equipment for delivery personnel
2. Designated rest areas at strategic points
3. Access to drinking water and fundamental facilities
4. Company-specific health insurance and accident coverage
5. Opportunities for skill enhancement

These corporate initiatives, while optional and differing in scope, are crucial in improving the overall welfare ecosystem for gig workers. The engagement of major platforms in the government's pilot initiative to register workers on the E-Shram portal also indicates a growing sense of corporate accountability in this sector.

2.0 LITERATURE REVIEW

A.David (2024), the gig economy in India is significantly reshaping the landscape of work in the digital era. Enabled by technological advancements and supported by the increasing demand for flexibility and autonomy, the gig economy has provided opportunities for individuals to increase their skills and talents on a more flexible basis.

Bindiya Gupta (2022) The study concludes with a discussion of the factors which distinguish apart the gig economy and gig employment from earlier types of temporary work with a shorter duration and a wider range of businesses and workers particularly those with lower skill levels and less reliance.

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NITI Aayog's 2022 report emphasizes the gig economy's potential to generate 6.7% of non-agricultural jobs by 2030 but warns of systemic vulnerabilities without robust protections.

Rohit Bansal(2020) In India, the gig economy has included a variety of occupations. In addition, independent contractors who work in this sector are compensated according to the schedule established by the employer. An entire spectrum of employment models, including freelancers, experts, and workers in diverse fields such as data innovation, are encompassed under the gig economy.

The **Code on Social Security, 2020** represents India's first comprehensive attempt to address gig worker welfare. Section 2(35) defines gig workers as those engaged in work arrangements "outside traditional employer-employee relationships". While the CoSS mandates social security funds for health, disability, and maternity benefits, its implementation remains pending in many states.

Vijeta Banwari(2018) In the new era of fouth industrial revolution, Gig economy is on rise and it has potential to bring huge amount of benefits for developing countries like India. Challenges can be converted into opportunities with the help of collabouration between Government, workers and educational institutions.

Tyagi, Akansha (2017) in her paper **"GIG Economy and Its Impact on India"** The study discusses the scenario of independent workers in Indian context. It also examines the regulatory restrictions impacting independent workers and the impact of gig economy on Indian Labour market.

3.0 RESEARCH METHODOLOGY

3.1 Research Objectives

1. To analyze the legislative and policy frameworks governing gig worker welfare in India.
2. To assess the implementation efficacy of social security schemes for gig workers.
3. To evaluate corporate and state-level initiatives complementing central policies.
4. To propose recommendations for strengthening welfare measures aligned with international best practices.

3.2 Research Design

This research utilizes a qualitative methodology, primarily relying on secondary data sources to examine the changing dynamics of welfare provisions for gig workers in India. Considering the legal and policy-driven aspects of the topic, the study is anchored in a descriptive and analytical framework, facilitating a thorough comprehension of legislative tools, governmental actions, and corporate strategies that impact gig worker welfare.

Data for this investigation has been collected from a diverse range of credible sources, including government publications, policy documents, academic journals. Significant legislative documents, especially the Code on Social Security, 2020, act as key references for grasping the legal acknowledgment and rights afforded to gig and platform workers. Furthermore, data from official websites such as the Ministry of Labour and Employment, the E-Shram dashboard, and Union Budget documents has been extensively employed to track recent policy advancements.

To comprehend the contributions made by private sector platforms, an analysis was conducted on company statements, press releases, and independent evaluations. Additionally, the research scrutinized news media and civil society reports that illustrate the lived experiences and challenges encountered by gig workers across diverse platforms, such as ride-hailing, food delivery, and freelance services. The methodology further included a comparative analysis of state-level policies, with particular emphasis on the Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023, alongside Karnataka's legislative proposal for gig workers. This strategy facilitates an evaluation of regional differences and innovations in the execution of welfare initiatives.
By triangulating these data sources, the study seeks to pinpoint implementation gaps, underscore best practices, and suggest actionable recommendations.

4.0 FINDINGS & DISCUSSIONS

- The research indicates that the gig economy in India has undergone significant growth in the past ten years; however, welfare systems have not been able to keep up with this rapid development.
- The enactment of the Code on Social Security in 2020 signifies a pivotal step in the formal acknowledgment of gig and platform workers within Indian labor legislation. This legal advancement lays the groundwork for the inclusion of gig

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workers in the nation's social security framework. Nevertheless, the implementation of the Code is still underway, with numerous states yet to synchronize their regulations and administrative processes with the central guidelines.

- A particularly noteworthy initiative is the E-Shram portal, which has effectively registered more than 30 crore unorganized workers, including a considerable number of gig workers. The campaign set for April 2025 aims to specifically enroll gig and platform workers, representing a focused effort by the government to broaden the social security coverage. The portal not only provides access to health insurance and accident protection but also supports data-driven policy formulation and the distribution of welfare benefits.
- Provisions for health and accident insurance under schemes such as Ayushman Bharat (PM-JAY) and accidental coverage through E-Shram registration are vital in addressing the vulnerabilities experienced by gig workers, especially those in physically demanding or high-risk positions. However, these benefits are often underused due to gaps in awareness and the complexities of the procedures involved.
- The findings of the study also suggest that corporate participation in welfare delivery is inconsistent and largely voluntary. Companies like Zomato, Swiggy, and Urban Company have initiated welfare practices that include health insurance, safety equipment provision, and resting facilities. While these initiatives are commendable, they differ significantly in their scope and coverage, frequently excluding workers in smaller cities or those who do not meet eligibility criteria.
- At the state level, Rajasthan has emerged as a frontrunner by enacting a dedicated law for gig workers, which mandates registration and welfare measures specifically designed for platform-based labor. Karnataka has followed with a proposed bill, although it has faced criticism for reinforcing the independent contractor status of gig workers, which may restrict their access to fundamental labor rights.
- Notwithstanding these developments, various challenges continue to exist. A primary issue is the uncertainty in worker classification, which influences the enforceability of rights and the availability of benefits. Numerous gig workers persist in encountering income instability, a deficiency of grievance redressal mechanisms, and diminished bargaining power. Additionally, there is an immediate need to bolster inter-agency coordination and technological integration to optimize welfare delivery across different governmental initiatives.

In summary, the findings emphasize the need for a hybrid model that integrates legal acknowledgment, digital infrastructure, corporate accountability, and worker empowerment to foster a genuinely inclusive and sustainable welfare framework for gig workers in India.

5.0 SUGGESTIONS

1. **Accelearate Implementation of the Code on Social Security, 2020:-** The Code on Social Security (CoSS), 2020, is a significant legislative milestone; however, its slow implementation in various states undermines its potential impact. It is vital for all state governments to accelerate the alignment of their labor laws with CoSS, thereby enabling the swift operationalization of welfare schemes for gig and platform workers without any further delays.

2**. Mandate Platform Contributions to Social Security Funds:-**To achieve sustainable welfare financing, a legal requirement should be established that mandates digital platforms to contribute a percentage of gig workers' earnings to a centralized social security fund. The government's proposed matching contribution of 3–4% should be institutionalized to ensure long-term financial stability for gig workers.

3. **Enhance Coverage and Awareness of the E-Shram Portal:-**Although the E-Shram Portal has made considerable strides, many gig workers are still unaware of its benefits or encounter technical obstacles during registration. A concentrated awareness campaign, multilingual support, and mobile registration efforts should be initiated to promote greater inclusion, especially in tier-2 and tier-3 cities.

4. **Strengthen Health and Insurance Benefits:-**The incorporation of gig workers into Ayushman Bharat (PM-JAY) is a commendable initiative. However, its reach can be broadened by:

• Ensuring that digital health cards are issued without delay.
• Partnering with gig platforms to facilitate direct on boarding of workers.
• Regularly monitoring service usage and identifying coverage gaps.

Moreover, accident insurance benefits should be made readily available, and the claims process should be simplified.

6.0 CONCLUSION

The rapidly expanding gig economy in India offers flexibility and income opportunities, yet it also presents significant challenges related to worker protection and social security. This study examine the current legal, institutional, and corporate efforts, highlighting the 2020 Code on Social Security and initiatives such as E-Shram, Ayushman Bharat, and pension proposals as steps toward formalizing the welfare of gig workers. However, issues like inconsistent implementation at the state level, unclear classifications, low

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registration rates, and weak enforcement limit their effectiveness. Private initiatives lack uniformity and accountability. A comprehensive welfare system requires coordinated efforts from the government, businesses, and workers, supported by digital infrastructure, financial inclusion, and skill development.

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