



**Original Article**

**The Code on Social Security, 2020 and Gig Workers in India: A Critical Analysis of Legal Recognition and Implementation Challenges**

**Dr. Gajanan Jagadish Salunkhe**

*Assistant Director/ Assistant Professor,*

*Yashwantrao Chavan School of Rural Development, Shivaji University, Kolhapur*

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**Corresponding Author:**

**Dr. Gajanan Jagadish Salunkhe**

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**Abstract:**

*The Code on Social Security, 2020 (SS Code) represents a paradigm shift in India's labour jurisprudence by formally recognizing gig and platform workers for the first time in the country's legal history. This paper critically examines the extent to which the SS Code addresses the social security needs of India's rapidly growing gig workforce, which currently constitutes approximately 7.7 million workers and is projected to reach 23.5 million by 2030. Through a qualitative analysis of the Code's provisions, secondary literature, and comparative insights from international labour standards, this study identifies a fundamental tension between the Code's progressive recognition of gig workers and the practical limitations of its implementation framework. While the SS Code introduces crucial definitions of "gig worker," "platform worker," and "aggregator," establishes a Social Security Fund, and creates institutional mechanisms through National and State Social Security Boards, significant challenges persist regarding ambiguous classification criteria, voluntary registration requirements, inadequate aggregator contribution formulas, and the absence of occupational safety, minimum wage, and collective bargaining provisions. The paper argues that the SS Code constitutes an incomplete legislative response—necessary but insufficient for addressing the precarity inherent in gig work. Drawing on International Labour Organization Recommendation 204 and comparative frameworks from European Union and California models, the study proposes a multi-stakeholder governance framework that balances flexibility with protection. The findings have significant implications for human resource management practices in platform-based enterprises and for policymakers seeking to operationalize the Code's provisions.*

**Keywords:** *Gig Workers, Platform Workers, Code on Social Security 2020, Social Security, Labour Law, Human Resource Management, Aggregator Liability, Informal Economy*

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## **Introduction:**

### **1. Background:**

The global labour market is undergoing a transformative shift characterized by the rise of non-standard forms of employment, with gig and platform work emerging as defining features of the contemporary economy. In India, this transformation is particularly pronounced: the gig economy has expanded exponentially, driven by widespread smartphone penetration, affordable internet access, and the proliferation of digital platforms such as Zomato, Swiggy, Uber, Ola, Urban Company, and Amazon Flex. Estimates suggest that approximately 7.7 million workers were engaged in gig work in 2020-21, with projections indicating growth to 23.5 million by 2029-30—a compound annual growth rate of approximately 17 percent.

This growth, however, has occurred within a regulatory vacuum. Traditional labour legislation in India, predicated on the master-servant model of employment characterized by stable employer-employee relationships, proved ill-equipped to address the fluid, algorithmic-mediated arrangements typical of platform work. Gig workers, classified as independent contractors rather than employees, were systematically excluded from the protections afforded by the Employees' State Insurance Act, 1948; the Employees' Provident Funds and Miscellaneous Provisions Act, 1952; the Payment of Gratuity Act, 1972; and the Maternity Benefit Act, 1961. This exclusion created what scholars have termed a "protection gap"—a category of workers who contribute to economic productivity without corresponding access to social security benefits.

The COVID-19 pandemic starkly illuminated this gap. When lockdowns disrupted urban economies, gig workers—designated as essential service providers—continued to deliver food, groceries, and medicines while lacking access

to health insurance, sick leave, or income support. The precariousness of their position became undeniable, catalysing demands for legislative intervention.

### **2. The Code on Social Security, 2020:**

In response to these demands and as part of a broader labour law reform agenda, the Government of India enacted four Labour Codes in 2020, consolidating 29 existing central labour acts. The Code on Social Security, 2020—which subsumes nine existing social security legislations—represents the most significant reform concerning gig workers. The Code introduces several landmark provisions: formal definitions of "gig worker," "platform worker," and "aggregator"; mandatory social security schemes for these workers; the establishment of a Social Security Fund; and the creation of National and State Social Security Boards to administer these schemes

Critically, the SS Code shifts the regulatory paradigm from exclusion to inclusion. For the first time, Indian labour law acknowledges that individuals working outside traditional employer-employee relationships nonetheless require social protection. Aggregators—digital intermediaries connecting service providers with consumers—are required to contribute between 1 and 2 percent of their annual turnover to the Social Security Fund, with total contributions from aggregators, workers, and government not exceeding 5 percent of payments made to gig and platform workers.

### **3. Research Problem and Rationale:**

Notwithstanding these progressive features, significant concerns persist regarding the SS Code's effectiveness in delivering meaningful social security to gig workers. First, the Code's definitions, while groundbreaking, remain ambiguous regarding the boundary between gig workers and independent contractors, potentially creating new classification disputes rather than resolving existing ones. Second, the registration process is based on voluntary self-



declaration, raising concerns about coverage rates among workers who may be unaware of their entitlements or deterred by procedural complexities. Third, the contribution formula—tied to aggregator turnover rather than worker earnings—creates implementation challenges and may incentivize under-reporting. Fourth, the Code addresses social security in isolation, leaving critical gaps in minimum wage protection, occupational safety, and collective bargaining rights.

From a Human Resource Management (HRM) perspective, these challenges are consequential. Platform-based enterprises must navigate ambiguous legal obligations while managing workforce expectations and maintaining operational flexibility. Traditional HRM frameworks, designed for stable employment relationships, are ill-suited to the contingent, transactional nature of gig work. The SS Code's implementation thus presents both compliance challenges and strategic opportunities for platform companies to develop innovative people management practices.

#### **4. Research Questions:**

This paper addresses the following research questions:

1. RQ1: How does the Code on Social Security, 2020 define and categorize gig and platform workers, and what are the implications of these definitions for social security coverage?
2. RQ2: What institutional mechanisms does the SS Code establish for delivering social security benefits to gig workers, and what are the operational challenges in implementing these mechanisms?
3. RQ3: What gaps remain in the SS Code's protection framework for gig workers, and how can these be addressed through policy reforms and HRM innovations?

#### **5. Methodology:**

This study employs a qualitative, doctrinal research methodology. Primary data sources include the Code on Social Security, 2020 (official gazette), government press releases from the Ministry of Labour and Employment, and notifications from the Employees' Provident Fund Organization and Employees' State Insurance Corporation. Secondary sources include peer-reviewed journal articles, law review commentaries, reports from international organizations (International Labour Organization, World Bank), and industry analyses of India's gig economy.

The analysis is structured thematically, examining the SS Code's provisions through the lens of four analytical categories: (a) legal recognition and classification; (b) institutional mechanisms and governance; (c) financing and contribution frameworks; and (d) implementation challenges and gaps. Comparative references are made to international jurisdictions—particularly the European Union's Platform Work Directive and California's Assembly Bill 5 (AB5)—to contextualize India's approach within global regulatory trends.

#### **6. Structure of the Paper:**

The remainder of this paper is organized as follows. Section 2 presents the theoretical framework, drawing on labour process theory and institutional economics to analyse the employment relationship in platform work. Section 3 examines the SS Code's key provisions concerning gig workers, including definitions, registration requirements, and social security schemes. Section 4 analyses implementation challenges and critical gaps in the Code's framework. Section 5 discusses the implications for human resource management practice and proposes a multi-stakeholder governance framework. Section 6 concludes with policy recommendations and directions for future research.



## **Theoretical Framework:**

### **1. The Employment Relationship in Platform Work:**

Understanding the SS Code's significance requires theoretical clarity regarding the nature of the employment relationship in platform work. Traditional labour law rests on the binary distinction between "employees" (who receive statutory protections) and "independent contractors" (who do not). This binary presumes a clear boundary defined by control: employees work under the direction and control of an employer, while independent contractors retain autonomy over how, when, and where they perform services.

Platform work disrupts this binary. Algorithmic management—the use of software algorithms to assign tasks, monitor performance, evaluate quality, and impose sanctions—enables platforms to exercise substantial control over workers without formal employment relationships. Uber drivers, for example, accept ride requests through an algorithm that determines pricing, routing, and performance metrics; refusal to accept rides results in reduced future opportunities. This "algorithmic control" resembles employer direction but operates through technological rather than hierarchical mechanisms.

Labour process theory provides a useful analytical lens. According to this perspective, management's fundamental objective is to maximize the extraction of labour effort while minimizing costs. Platforms achieve this by reclassifying workers as independent contractors, thereby externalizing costs historically borne by employers—social security contributions, paid leave, training expenses, and equipment costs. The SS Code can be understood as a partial re-internalization of these costs, requiring aggregators to contribute to social security while preserving the formal independent contractor classification.

### **2. Institutional Economics and Regulatory Gaps:**

Institutional economics offers a complementary perspective, emphasizing the role of institutions in reducing transaction costs and enabling cooperative exchange. The employment relationship is an institutional solution to the problem of incomplete contracts: because it is impossible to specify all terms of work ex ante, employment contracts provide relational governance mechanisms—authority, trust, and shared norms—to coordinate exchange.

Platform work replaces relational governance with transactional governance. Each gig is a discrete transaction, priced and allocated algorithmically, with minimal relational continuity between worker and platform. This reduces transaction costs for platforms—no long-term commitments, no investments in firm-specific human capital, no costly terminations—but increases risks for workers: income volatility, unpredictable schedules, and exclusion from social insurance.

From an institutional perspective, the SS Code represents an attempt to address market failure in the provision of social insurance. When workers are classified as independent contractors, they bear sole responsibility for saving against sickness, disability, old age, and unemployment. However, individual workers face information asymmetries, limited bargaining power, and behavioural biases that lead to under-provision of social insurance. Mandatory contributions through aggregators—even at modest levels—can improve outcomes by making social insurance automatic and leveraging platforms' superior administrative capacity.

### **3. The Concept of "Decent Work" and Social Security:**

The International Labour Organization's Decent Work Agenda provides normative grounding for evaluating the SS Code. Decent work encompasses four strategic pillars: (a) employment



creation and enterprise development; (b) social protection; (c) rights at work; and (d) social dialogue. Social security is integral to this framework, understood not as charity but as a right that enables workers to manage life-cycle contingencies without falling into poverty.

ILO Recommendation 204 concerning the Transition from the Informal to the Formal Economy is particularly relevant. The Recommendation urges member states to extend social protection to workers in informal employment—including those in non-standard forms of employment—through progressive measures adapted to national contexts. The SS Code aligns with this recommendation by formally recognizing gig workers and creating mechanisms for their inclusion. However, as the following sections demonstrate, alignment remains incomplete: the Code addresses social protection in isolation from rights at work and social dialogue.

**The Code on Social Security, 2020: Key Provisions for Gig Workers:**

**1. Legal Recognition: Definitions and Categorization:**

The SS Code's most significant contribution is the formal legal recognition of gig and platform

workers. Section 2(35) defines a "gig worker" as "a person who performs work or participates in a work arrangement and earns from such activities outside of a traditional employer-employee relationship". This definition encompasses freelancers, independent contractors, and workers engaged in short-term, task-based arrangements across sectors.

Section 2(61) defines a "platform worker" as a sub-category of gig workers—specifically, those who "access other organisations or individuals through an online platform and provide services or solve specific problems for payment". Platform workers thus include app-based drivers, delivery personnel, beauty service providers, home repair technicians, and other workers whose engagement is mediated by digital platforms.

Section 2(1) defines an "aggregator" as "a digital intermediary for a user or buyer of a service to connect with the seller or the service provider". This definition captures platform companies such as Zomato, Swiggy, Uber, Ola, Urban Company, Amazon, Flipkart, and others that operate two-sided digital marketplaces. By defining aggregators separately from employers, the Code creates statutory obligations for platform companies even in the absence of formal employment relationships.

Table 1: Key Definitions in the Code on Social Security, 2020

Term	Section	Definition	Implications
Gig Worker	2(35)	Performs work outside traditional employer-employee relationship	Broad coverage, but ambiguous boundaries
Platform Worker	2(61)	Gig worker who accesses work through online platform	Sub-category requiring platform registration
Aggregator	2(1)	Digital intermediary connecting buyers and service providers	Statutory obligation to contribute to Social Security Fund
Unorganised Worker	2(72)	Worker in unorganised sector or household enterprise	Parallel coverage pathway for non-platform gig workers

Source: Code on Social Security, 2020; compiled by author



## 2. Social Security Schemes for Gig Workers:

Chapter IX of the SS Code (Sections 113-114) empowers the Central Government to frame social security schemes specifically for gig workers, platform workers, and unorganised workers. These schemes are to provide the following benefits:

- Life and disability insurance
- Health and maternity benefits
- Old age protection (pension)
- Other benefits as determined by the Central Government

Schemes are administered through the Employees' State Insurance Corporation (ESIC) and the Employees' Provident Fund Organization (EPFO), whose coverage is extended pan-India under the Code. Notably, ESIC benefits—previously available only in notified districts—now apply nationwide, and establishments with fewer than ten employees may voluntarily opt for coverage.

The Code also mandates the establishment of a Social Security Fund (Section 114), financed through contributions from Central and State Governments, aggregator contributions, corporate

social responsibility funds, and fines collected from compounding of offences. This fund is specifically designated to provide social security benefits to unorganised, gig, and platform workers.

## 3. Institutional Mechanisms: National and State Social Security Boards:

The SS Code establishes a two-tier institutional structure for governance of social security schemes. The National Social Security Board (Section 42) advises the Central Government on framing, implementing, and monitoring schemes for unorganised, gig, and platform workers. The Board includes representatives from Central Government, State Governments, trade unions, employers' organizations, and civil society.

State Unorganised Workers Social Security Boards (Section 43) perform analogous functions at the state level, advising State Governments on scheme implementation and monitoring. This decentralized structure recognizes that social security delivery requires state-level adaptation, particularly for workers in state-specific industries.

**Table 2: Institutional Structure for Gig Worker Social Security**

| Social Security Fund | Central/State government contributions, aggregator contributions, CSR | Financial mechanism for benefits | Financing vehicle for gig worker schemes |

Institution	Composition	Functions	Relevance to Gig Workers
National Social Security Board	Central/State govt reps, trade unions, employers, civil society	Advise on scheme framing, monitoring, evaluation	Policy formulation at national level
State Unorganised Workers Boards	State govt reps, district officials, worker representatives	State-level scheme administration	Implementation and grievance redressal
ESIC/EPFO	Statutory bodies with expanded mandate	Benefit delivery (health, insurance, provident fund)	Direct service provision

Source: Code on Social Security, 2020; compiled by author



#### **4. Registration and Compliance Requirements:**

The SS Code requires every gig worker, platform worker, and unorganised worker to register with the designated authority (Section 114). Registration is based on self-declaration—workers submit a statement in the prescribed form, either electronically or otherwise, along with their Aadhaar number. This self-declaration model prioritizes ease of access but raises concerns about coverage gaps, as discussed in Section 4.

Aggregators must register with the National or State Social Security Board and file returns containing details of gig and platform workers engaged through their platforms. This creates an accountability mechanism linking platforms to the worker registry, though enforcement mechanisms remain unspecified.

Workers receive a unique identification number upon registration, which serves as their credential for accessing scheme benefits. The Code envisions a digital infrastructure linking worker registration to benefit delivery, though this infrastructure is still under development.

#### **5. Financing Mechanisms: Aggregator Contributions:**

The financing mechanism for gig worker social security is specified through rules framed under the SS Code rather than the Code itself. According to government notifications and compliance guidance, aggregators are required to contribute between 1 percent and 2 percent of their annual turnover to the Social Security Fund. Total contributions from aggregators, gig workers, and the government combined cannot exceed 5 percent of the amount paid or payable by the aggregator to gig and platform workers.

This contribution formula departs from traditional social security financing, which is typically based on wages or salaries. Tying contributions to aggregator turnover rather than worker earnings creates several implications:

1. Progressive burden distribution: High-turnover aggregators contribute more, regardless of their labour cost structures
2. Administrative simplicity: Turnover is readily verifiable through tax filings and financial statements
3. Worker-earnings decoupling: Contributions are not proportional to worker earnings, potentially creating inequities
4. Cap on total contributions: The 5 percent cap ensures that total social security costs remain modest relative to worker payments

Critics argue that 1-2 percent of turnover may be insufficient to fund meaningful benefits, particularly given the projected scale of gig worker registration. By comparison, employer contributions under traditional EPFO schemes are 12 percent of basic wages.

#### **Implementation Challenges and Critical Gaps:**

##### **1. Ambiguities in Classification:**

While the SS Code's definitions of gig workers, platform workers, and aggregators represent significant progress, they do not resolve the fundamental classification ambiguity that has historically excluded these workers from social protection. The definition of gig worker—"outside of a traditional employer-employee relationship"—creates a negative test rather than a positive one: a gig worker is defined by what they are not (employees) rather than by affirmative criteria that distinguish genuine independent contracting from disguised employment.

This ambiguity creates practical challenges. Consider a worker who delivers food through Zomato, drives for Uber, performs household repairs through Urban Company, and occasionally works on freelance writing assignments—all within the same week. Does this worker qualify as a gig worker? Under which platform? Which aggregator is responsible for contributions? The SS Code



provides no guidance on multi-platform engagement, contribution apportionment, or the circumstances under which a worker might be reclassified as an employee.

Judicial interpretation will inevitably fill this gap. Precedents from the Karnataka High Court, which has recognized cab-aggregator drivers as entitled to certain protections, suggest that courts may adopt functional tests focused on control, economic dependence, and integration into the aggregator's business. However, such litigation-driven clarification is inefficient, costly, and creates uncertainty for both workers and platforms.

## 2. Voluntary Registration and Coverage Gaps:

The SS Code's reliance on voluntary self-declaration for worker registration is arguably its most significant limitation. Gig workers, who are typically time-poor, may lack awareness of their entitlements, face barriers in accessing online registration portals, or be deterred by Aadhaar linkage requirements. Research on similar voluntary registration schemes for unorganised workers under the 2008 Act found low uptake, with registration rates below 10 percent of eligible workers in most states.

Several factors contribute to anticipated low registration rates:

- Information asymmetry: Gig workers may be unaware of the SS Code's provisions or believe that registration is irrelevant to their situation
- Transaction costs: Completing registration forms, submitting documentation, and maintaining registration status requires time and effort
- Aadhaar linkage: Privacy concerns or lack of Aadhaar may deter registration
- Trust deficits: Workers may distrust government schemes, particularly if they perceive that benefits are unlikely to materialize

- Platform disincentives: Aggregators may not actively promote registration, as registered workers become visible to regulators

The Code does not impose penalties on aggregators for non-registration of workers, nor does it require platforms to verify worker registration before engagement. This absence of enforcement mechanisms undermines the Code's coverage objectives.

## 3. Financing Limitations:

The aggregator contribution formula—1-2 percent of turnover—raises questions about the adequacy of financing for meaningful benefits. Illustrative calculations demonstrate the issue. Suppose an aggregator has annual turnover of ₹1,000 crore and engages 100,000 gig workers who collectively earn ₹500 crore from platform work. At 2 percent contribution, the aggregator contributes ₹20 crore annually to the Social Security Fund—or ₹2,000 per worker per year. This amounts to approximately ₹167 per worker per month.

What benefits can be purchased for ₹167 per month? A minimal health insurance policy might cost ₹300-500 per month. Life insurance at ₹1 lakh coverage costs approximately ₹50-100 per month. Disability insurance and old-age pensions require substantially higher contributions. The 5 percent cap on total contributions (aggregator + worker + government) implies a maximum of approximately ₹417 per worker per month—still insufficient for comprehensive social security.

Government supplementation from the Social Security Fund (which also receives corporate social responsibility funds and compounding fines) may augment these amounts, but fund levels are uncertain. Without explicit budgetary commitments, the SS Code risks creating an under-funded scheme that fails to deliver meaningful benefits—a "paper coverage" that satisfies legal requirements without substantive protection.



#### 4. Gaps in the Protection Framework:

The SS Code addresses social security in isolation from other dimensions of labour protection, creating a fragmented approach that leaves critical gaps intact. Specifically, the Code does not address:

- **Minimum wage protection:** Gig workers are not covered by the Code on Wages, 2019's minimum wage provisions because those provisions apply only to employees. Consequently, platform companies can set piece rates arbitrarily low, knowing that workers will accept them due to competition for gigs.
- **Occupational safety and health:** The Occupational Safety, Health and Working Conditions Code, 2020 applies primarily to factories, mines, and construction sites—not to the dispersed, algorithmically-managed work characteristic of platform labour. Gig workers lack protections for working hours,

rest breaks, ergonomic hazards, and violence prevention.

- **Collective bargaining rights:** The Industrial Relations Code, 2020 recognizes trade unions only for employees. Gig workers, classified as independent contractors, have no statutory right to collective bargaining, no framework for union recognition, and no protection from retaliation for organizing. This is particularly consequential given the algorithmic management systems that can penalize workers who coordinate collective action.
- **Social dialogue:** The National and State Social Security Boards include worker representatives, but these are advisory bodies without decision-making authority. The SS Code does not mandate collective bargaining, worker participation in platform governance, or consultation on algorithmic changes affecting working conditions.

**Table 3: Protection Gaps in the SS Code Framework**

Protection Dimension	SS Code Provision	Gap
Minimum wage	Not addressed	Gig workers excluded from Code on Wages
Working hours	Not addressed	No limits on shift duration or rest periods
Occupational safety	Not addressed	OSH Code inapplicable to dispersed platform work
Collective bargaining	Not addressed	Independent contractor status precludes union rights
Social dialogue	Advisory boards only	No statutory worker participation in platform governance
Unemployment protection	Not addressed	No provision for income support between gigs
Training and upskilling	Not addressed	No employer obligation for skill

Source: Author's compilation from Labour Codes 2020

#### 5. Implementation Timeline and Rules:

A final challenge concerns the SS Code's implementation status. Although the Code was passed in September 2020 and came into force on

21st November 2025—over five years later—the rules and schemes specific to gig and platform workers are still being framed. Rules govern critical details: contribution rates, benefit structures,



registration procedures, grievance mechanisms, and enforcement provisions. Until these rules are finalized and notified, the SS Code's provisions for gig workers remain largely aspirational.

This implementation delay has real consequences. Millions of gig workers continue to work without social security coverage while awaiting rules that remain uncertain. Aggregators face compliance uncertainty, unsure of their obligations until rules specify contribution calculation, reporting frequency, and audit requirements.

### **Discussion and Implications:**

#### **1. The SS Code as an Incomplete Response:**

The preceding analysis reveals a fundamental tension: the Code on Social Security, 2020 simultaneously represents a landmark recognition of gig workers' legitimate claims to social protection and an incomplete legislative response that leaves critical gaps intact. This tension can be characterized as the paradox of recognition without transformation.

On one hand, the SS Code transforms India's labour law landscape by formally acknowledging that work outside traditional employment nonetheless generates claims to social security. The definitions of gig worker, platform worker, and aggregator—however imperfect—establish legal categories that did not previously exist. The Social Security Fund, aggregator contributions, and National Social Security Board create institutional infrastructure that can, in principle, deliver benefits to millions of currently excluded workers.

On the other hand, the Code does not transform the underlying employment relationship. Gig workers remain independent contractors, excluded from minimum wage, occupational safety, collective bargaining, and other protections afforded to employees. The Code's social security provisions operate within—rather than challenging—the independent contractor classification. This is not a

shift from precariousness to security, but from complete exclusion to partial, fragmented inclusion.

From an HRM perspective, this incomplete response creates strategic ambiguity. Platform companies face social security compliance obligations—registration, contribution, reporting—while retaining the flexibility of independent contractor engagement. However, they also face the risk that courts may interpret the SS Code's recognition of gig workers as support for reclassifying them as employees, triggering additional obligations under other labour codes. Legal uncertainty may be as costly as definitive regulation.

#### **2. Comparative Perspectives:**

India's approach can be compared with three international models: (a) the European Union's Platform Work Directive; (b) California's Assembly Bill 5 (AB5); and (c) the United Kingdom's "worker" status.

**European Union (Proposed Platform Work Directive):** The draft Directive creates a presumption of employment for platform workers when certain indicators of control are present. It also mandates algorithmic transparency, requiring platforms to disclose how their algorithms assign tasks, set prices, and impose sanctions. This approach addresses classification ambiguity directly through rebuttable presumption, and goes beyond social security to address working conditions and algorithmic governance.

**California (Assembly Bill 5):** AB5 codifies the "ABC test" for independent contractor classification, under which workers are presumed employees unless the hiring entity demonstrates that the worker (A) is free from control, (B) performs work outside the usual course of the hiring entity's business, and (C) is engaged in an independently established trade. Most platform workers fail the "B" prong—delivery is central to Uber's business—leading to employee classification. California's



approach provides clear classification rules but has faced implementation challenges and voter referendum (Proposition 22) that partially exempted app-based transportation and delivery companies.

**United Kingdom (Uber BV v. Aslam):** The UK Supreme Court held that Uber drivers are "workers" (a third category between employees and independent contractors) entitled to minimum wage, paid leave, and whistleblower protection. The Court emphasized Uber's tight control over driver activities, including algorithmic acceptance of rides, pricing, and performance monitoring. This jurisprudence has been followed by subsequent decisions concerning Deliveroo, Addison Lee, and other platforms. The "worker" category provides a middle path—employment rights without full employee obligations.

India's approach diverges from each of these models. Unlike the EU, India does not provide a presumption of employment. Unlike California, India does not specify tests for classification. Unlike the UK, India does not create a third worker category. Instead, India leaves the independent contractor classification intact while adding selected social security obligations—a minimalist approach that may prove insufficient for addressing gig worker precarity.

### **3. A Multi-Stakeholder Governance Framework for Gig Work:**

Given the limitations of the SS Code and the complexity of regulating platform work, this paper proposes a multi-stakeholder governance framework that moves beyond binary employee/independent contractor classification. The framework has five components:

**Component 1: Functional Classification Guidelines** – Rather than relying on the SS Code's negative definition, the Central Government should issue guidelines specifying indicators of genuine independent contracting versus platform employment. Indicators should include: control over

work methods; economic dependence; integration into platform operations; opportunity for profit/loss; and investment in equipment. These guidelines would provide predictability for platforms and courts.

**Component 2: Portable Benefits System** – The SS Code's Social Security Fund should be redesigned as a portable benefits system, where contributions follow workers across multiple platforms. Workers would maintain a single social security account (linked to their unique identification number), and each platform engaging them would contribute proportionally to earnings. This addresses the multi-platform engagement challenge and ensures continuous coverage.

**Component 3: Sectoral Social Dialogue** – In the absence of firm-level collective bargaining rights, the government should establish sectoral councils for platform work (e.g., delivery, transportation, domestic services, professional services). These councils would bring together platform representatives, worker organizations, and government officials to negotiate minimum standards, contribution rates, and grievance procedures. Sectoral agreements could be extended to all platforms in the sector.

**Component 4: Algorithmic Transparency and Accountability** – Platforms should be required to disclose to workers: (a) the factors affecting task allocation; (b) the performance metrics used for evaluation; (c) the consequences of declining tasks; and (d) procedures for contesting automated decisions. An independent Algorithmic Auditor should be established to review platform systems for compliance with fairness and non-discrimination standards.

**Component 5: Progressive Coverage Expansion** – The government should adopt a phased approach to coverage. Phase 1 (completed with SS Code enactment): legal recognition and institutional framework. Phase 2 (current): social security



schemes for core benefits (health, life, disability). Phase 3 (proposed): extension to maternity benefits, old-age pension, and paid leave. Phase 4 (proposed): minimum earnings guarantees and working time limits. This progressive expansion allows for learning and adaptation while maintaining momentum towards comprehensive protection.

#### **4. Implications for Human Resource Management Practice:**

For HRM practitioners, the SS Code's implementation presents both compliance challenges and strategic opportunities. Platform companies must develop systems for:

- Worker registration and verification: Establishing processes to ensure gig workers complete registration and linking this to engagement systems
- Contribution calculation and remittance: Calculating aggregator contributions (1-2% of turnover) and remitting to the Social Security Fund
- Record keeping and reporting: Maintaining records of worker engagement, earnings, and contributions for inspection
- Grievance handling: Establishing mechanisms for workers to raise concerns about registration, contributions, or benefit access
- Beyond compliance, forward-thinking HRM practitioners can leverage the SS Code to develop innovative people management practices:
- Benefits as engagement tool: Platforms that exceed minimum contribution requirements or offer supplementary benefits may attract and retain higher-quality workers
- Skill development partnerships: Collaborating with government and training providers to offer upskilling programmes funded through the Social Security Fund
- Worker voice mechanisms: Establishing works councils or advisory panels to provide

input on platform policies, building trust and reducing turnover

- Data-driven workforce analytics: Using registration and contribution data to understand workforce composition, earnings patterns, and benefit utilization

The Code thus transforms HRM for gig workers from a pure cost-minimization exercise to a strategic function balancing legal compliance, workforce engagement, and platform reputation.

#### **5. Limitations of the Study:**

This study has several limitations. First, as the SS Code's implementing rules are still being framed, the analysis necessarily addresses provisions and anticipated rules rather than actual implementation outcomes. Empirical research on registration rates, benefit utilization, and worker experiences will be possible only after the scheme becomes operational. Second, the study relies primarily on legal and secondary sources; primary data from platforms, workers, and government officials would strengthen the analysis. Third, the comparative analysis is selective rather than exhaustive; other jurisdictions (Brazil, Canada, Australia) offer additional models worthy of examination. Future research should address these limitations through longitudinal studies of scheme implementation, surveys of gig worker awareness and experiences, and in-depth case studies of platform HRM practices.

#### **Conclusion and Recommendations:**

##### **1. Summary of Findings:**

This paper has examined the Code on Social Security, 2020 as a legislative response to the protection gap facing India's growing gig workforce. The analysis yields three principal findings.

First, the SS Code achieves a significant advance in legal recognition by defining gig workers, platform workers, and aggregators for the first time in Indian law. This recognition creates the



foundation for social security coverage and establishes the principle that work outside traditional employment nonetheless generates claims to protection.

Second, the Code establishes institutional infrastructure—the Social Security Fund, National and State Boards, expanded ESIC/EPFO mandate—that can, in principle, deliver benefits to millions of currently excluded workers. The financing mechanism, requiring aggregator contributions of 1-2 percent of turnover, creates a sustainable funding stream while preserving platform flexibility.

Third, significant challenges remain. The Code's definitions do not resolve classification ambiguity, leaving workers vulnerable to continued exclusion through independent contractor labelling. Voluntary registration based on self-declaration is unlikely to achieve universal coverage, particularly among information-poor or time-poor workers. The 1-2 percent contribution may be inadequate for meaningful benefits. Most critically, the Code addresses social security in isolation, leaving gaps in minimum wage, occupational safety, collective bargaining, and social dialogue.

## **2. Policy Recommendations:**

Based on these findings, the following policy recommendations are offered:

To the Central Government:

1. Issue classification guidelines specifying functional tests for distinguishing gig workers from independent contractors, providing predictability for platforms and courts
2. Move from voluntary to facilitated registration by requiring aggregators to facilitate worker registration as a condition of operation, with penalties for non-compliance
3. Increase the contribution floor from 1-2 percent to 5-8 percent of turnover or 10-12 percent of worker earnings, with actuarial analysis to determine benefit adequacy

4. Coordinate across Labour Codes to address gaps in minimum wage, occupational safety, and collective bargaining through amendments or inter-code protocols
5. Establish an Algorithmic Auditor to review platform management systems for compliance with transparency, fairness, and non-discrimination standards

To State Governments:

1. Strengthen State Boards with dedicated staffing, budgets, and enforcement authority to monitor aggregator compliance
2. Develop grievance redressal mechanisms accessible through multiple channels (online, phone, in-person) with time-bound resolution
3. Conduct awareness campaigns targeting gig workers through platform notifications, workplace posters, and community outreach

To Aggregators and Platform Companies:

1. Treat social security compliance as strategic rather than merely legal, recognizing that benefits can be a differentiator in competitive labour markets
2. Invest in HRM systems for registration management, contribution calculation, record keeping, and reporting
3. Develop worker voice mechanisms that complement statutory protections while addressing platform-specific concerns
4. Participate in sectoral social dialogue to develop industry-wide standards that level the competitive playing field

To Civil Society and Worker Organizations:

1. Monitor implementation through worker surveys, platform audits, and grievance documentation
2. Advocate for expanded coverage through policy briefs, public campaigns, and legal interventions



3. Provide registration assistance through helplines, community centres, and digital literacy programmes

### 3. Directions for Future Research:

The SS Code's implementation creates opportunities for multidisciplinary research. Priority areas include:

- Empirical studies of registration and coverage to understand which workers register, why, and with what outcomes
- Evaluation of benefit adequacy to assess whether scheme benefits meet worker needs and reduce vulnerability
- Platform HRM case studies examining how companies respond to compliance requirements strategically
- Comparative implementation research across Indian states to identify policy and administrative factors associated with successful implementation
- Worker longitudinal studies tracking employment trajectories, income dynamics, and well-being outcomes before and after coverage

### 4. Concluding Remarks:

The Code on Social Security, 2020 is best understood as a necessary but insufficient response to the challenges of gig work in India. Its enactment reflects growing political recognition that platform-based labour, while generating economic value and consumer convenience, cannot be allowed to operate outside the social protection framework that has governed industrial work for nearly a century. The Code creates the legal architecture within which gig worker protection can be built.

But architecture is not the building itself. Realizing the SS Code's promise requires translating its provisions into operational schemes, its voluntary registration into universal coverage, its modest contributions into meaningful benefits, and its

institutional boards into effective governance. It requires addressing the gaps the Code leaves open—minimum wages, occupational safety, collective bargaining—through complementary reforms and innovative governance mechanisms.

For HRM practitioners, the Code signals that the era of regulatory avoidance is ending. Platforms that have profited from classifying workers as independent contractors while controlling them algorithmically will increasingly face statutory obligations to contribute to their workers' security. How platforms navigate this transition—as reluctant compliers or strategic innovators—will shape not only their competitive position but also the quality of work for millions of Indians.

For gig workers themselves, the Code offers hope: the hope that their labour, however fragmented and algorithmically mediated, is seen and valued; that their vulnerabilities are recognized as requiring collective response; that they too belong within the social contract. Translating hope into reality is the work that lies ahead.

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