

Transparency & Fairness in Gig Economy: Bridging Algorithmic gap with legal governance

Jahnavi Choubey⁷³

ABSTRACT

The gig economy, which is often characterized by freelance employment and temporary contracts, has grown to be a prominent trend in the modern labour market. In addition to offering earning potential flexibility, the technologies also pose significant issues with respect to opacity, bias, and accountability. Unpredictable income fluctuations, unilateral deactivations, and rating-based discrimination are commonplace for gig workers due to the opaque nature of algorithmic decision-making processes. Such action creates profound informational asymmetries between the platform and employees, which pose serious questions about fairness and openness in the digital industry. The purpose of this study is to examine how legal governance might bridge these algorithmic gaps using doctrinal, analytical, and qualitative lenses. According to this paper, which is based on scholarly discussion, platform regulation needs to take non-discrimination, due process, and transparency into account. It also highlights how important it is to strike a balance between preserving the creative potential of digital platforms and defending workers' rights. The article places algorithmic management within broader constitutional and labour law standards, arguing that fairness and openness in the gig economy are not only required by law but also essential for maintaining human dignity in an era of digitalized labour. The findings offer recommendations for policy that might be incorporated into the existing laws to create a responsible gig economy.

Keywords: Gig Economy, Algorithmic Governance, Transparency, fairness, Platform Regulations and Digital Labour Rights.

I. INTRODUCTION

The gig economy, broadly understood as a system of flexible, task-based, and short-term work arrangements, has transformed traditional employment models by redefining the relationship between capital and labour⁷⁴. Within this larger framework, platform workers constitute a

⁷³ Third-year BA LLB (Hons.) student at School of Law, CHRIST (Deemed to be University), Bangalore.

⁷⁴ Steven Vallas & Juliet B. Schor, *What Do Platforms Do? Understanding the Gig Economy*, 46 Ann. Rev. Soc. 273, 275 (2020).

distinct subset, engaged through digital platforms such as Uber, Swiggy, Zomato, and Urban Company, where algorithms mediate task allocation, pricing, and performance monitoring. While all platform workers are part of the gig economy, not all gig workers operate through digital platforms; for instance, a freelance tutor or a plumber hired informally would also qualify as gig workers. This paper, however, focuses specifically on platform workers, as they represent the most visible and rapidly growing segment of the gig economy in India, and their working conditions uniquely highlight the tensions between technological innovation, labour rights, and legal governance.⁷⁵ Work allocation, pricing, performance reviews, and even job retention are all decided by algorithmic management systems used by platforms like Uber, Zomato, Swiggy, and Amazon. These technologies increase scalability and lower transaction costs, but they frequently function in opaque ways that give workers little influence over or knowledge of the choices that affect their livelihoods. In addition to producing notable informational disparities between platforms and workers, the absence of transparency in algorithmic governance also brings up urgent issues of justice, accountability, and due process. The ramifications of this opacity are extensive. With few options for redress, gig workers are routinely exposed to erratic wage changes, abrupt deactivations, and unfair rating systems. These problems reveal a legal gap where the usual labour law protections are either non-existent or severely limited. By its very nature, algorithmic decision-making that are automated processes that use data, algorithms, and artificial intelligence to allocate work, set prices, monitor performance, and even decide on disciplinary actions such as suspensions or terminations.⁷⁶ Unlike human managerial discretion, algorithmic systems function as opaque ‘black boxes,’ where the logic and criteria driving decisions are rarely disclosed to workers. This could solidify new types of exploitation under the pretence of technical efficiency if left unchecked. Therefore, one of the most important tools for bridging these gaps is legal governance.⁷⁷ Law can act as a check on algorithmic opacity by incorporating the values of accountability, openness, and equity into regulatory frameworks. A rising understanding of the necessity of regulating platform work through both labour and data protection law is seen in comparative developments across countries, ranging from the European Union's Digital Services Act and AI regulation as the jurisdictions of EU, UK, and US, offer the most

⁷⁵ Sarah Kaine & Emmanuel Jossierand, *The Organisation and Experience of Work in the Gig Economy*, 61(4) J. Indus. Rel. 479, 482 (2019).

⁷⁶ Gaurav Roy & A.K. Shrivastava, *Future of Gig Economy: Opportunities and Challenges*, 9(1) IMI Kconnect 14, 17 (2020).

⁷⁷ Joshua Healy, Daniel Nicholson & Andrew Pekarek, *Should We Take the Gig Economy Seriously?*, 27(3) Lab. & Indus. 232, 235 (2017).

developed and diverse approaches to regulating platform work and algorithmic governance, unlike many others where regulatory responses remain nascent or fragmented; To localized judicial interventions in India.

This paper aims to investigate how legal research that is doctrinal, analytical, and qualitative can shed light on how to close algorithmic gaps in the gig economy. It contends that maintaining fairness in algorithmic decision-making and transparency in platform governance is a subject of social justice and constitutional values rather than just regulatory compliance. The paper offers legal solutions that can protect worker dignity while maintaining the vibrancy of the digital economy by critically examining statutes, case law, academic commentary, and comparable practices.⁷⁸

II. NATURE OF ALGORITHMIC DECISION-MAKING IN PLATFORMS

A system whereby digital platforms use algorithms to arbitrate, oversee, and discipline work relations is known as algorithmic management, and it is what sets the gig economy apart.⁷⁹ Instead of using human managers to exert control, platforms like Uber, Zomato, and Amazon use automated technologies to assign work, set prices, assess performance, and even terminate contracts. Gathering and analyzing vast volumes of data, such as employee location, reaction times, customer reviews, and overall productivity, is the foundation of algorithmic decision-making. By combining these data points into predictive models, decisions are made instantly, resulting in an immediate yet opaque control system.⁸⁰

Its dual function as a work facilitator and regulator is one of algorithmic management's distinguishing features. On the one hand, it facilitates efficiency through providing quick scalability, lowering transaction costs, and balancing supply and demand. On the other hand, it obscures the worker's reason for making decisions by replacing management discretion with

⁷⁸ Colin Crouch, *Will the Gig Economy Prevail?* 45 (John Wiley & Sons 2019).

⁷⁹ Gaurav Roy & A.K. Shrivastava, *Future of Gig Economy: Opportunities and Challenges*, 9(1) IMI Konnect 14, 17 (2020).

⁸⁰ Imran Kadolkar, Sven Kepes & Mahesh Subramony, *Algorithmic Management in the Gig Economy: A Systematic Review and Research Integration*, J. Org. Behav. (2024), <https://doi.org/10.1002/job.2831> (article), at 3.

automated guidelines.⁸¹ Task allocation is not solely determined by availability, for instance; it is also impacted by hidden factors like cancellation rates, historical performance, and algorithmic dependability projections. Workers are less able to contest or appeal decisions that give them specific duties since they are rarely given a reason for receiving or being denied them.

Moreover, algorithmic decision-making is by its very essence dynamic. Machine learning allows algorithms to continuously learn and recalibrate, so the “*rules of the game*” are always changing. Because tactics that previously maximized wages may suddenly become inefficient, this causes instability for workers. Rating systems also provide another level of algorithmic governance by transforming customer reviews into measurable indicators that have an immediate impact on an employee's earning potential. This arrangement gives algorithms that interpret arbitrary consumer behaviour the ability to evaluate things instead of impartial authorities or employers.⁸²

Since this concept restructures the work relationship into a sequence of digitally mediated orders, scholars have dubbed it “*algorithmic management*”. The contractual relationship between the platform and the worker, however, is structured as an independent service agreement, bypassing the formal protections of labour law, in contrast to regular employment contracts.⁸³ To the cost of workers' rights, algorithmic decision-making therefore blurs the lines between administrative authority and technology neutrality.

Essentially, platforms' algorithmic decision-making process implies a significant reorganization of labour governance. It is both a technological advancement and a change in norms, as control is now exerted through opaque codes as opposed to clear regulations. For this reason, any legal investigation into the regulation of gig work must take this structure into account.

⁸¹ James Duggan, Ultan Sherman, Ronan Carbery & Anthony McDonnell, *Algorithmic Management and App-Work in the Gig Economy: A Research Agenda for Employment Relations and HRM*, 30 Hum. Res. Mgmt. J. 114, 120 (2020).

⁸² Zhi Ming Tan, Naman Aggarwal, Josh Cows, Jessica Morley, Mariarosaria Taddeo & Luciano Floridi, *The Ethical Debate About the Gig Economy: A Review and Critical Analysis*, 65 Technol. in Soc'y 101594, 101596 (2021).

⁸³ Olalekan D. Adekoya, Chima Mordi, Hakeem A. Ajonbadi & Weifeng Chen, *Implications of Algorithmic Management on Careers and Employment Relationships in the Gig Economy—A Developing Country Perspective*, 38 Info. Tech. & People 686, 690 (2025).

III. ISSUES OF TRANSPARENCY, FAIRNESS AND ACCOUNTABILITY

In the gig economy, algorithmic management brings up urgent issues with responsibility, equity, and transparency. Because they rarely comprehend the rules controlling pricing, task distribution, or deactivation, workers are subject to arbitrary treatment and severe informational asymmetries. For example, drivers who are deactivated for “*low ratings*” on ride-hailing platforms are rarely notified if this is due to computational error, biased feedback, or misconduct.⁸⁴

Algorithms with biases built in further undermine fairness. Employee welfare is frequently sacrificed in favour of platform profitability and customer pleasure in these systems. Caste, gender, and race-based social prejudices are reproduced by rating systems, and livelihoods are destabilized by dynamic pricing, which generates erratic earnings. Taking responsibility is even more difficult. Algorithms replace human control in platform work, but traditional labour legislation assumes identified employers. Employees who are subject to salary disputes or deactivation frequently deal with computerized grievance procedures that are opaque and offer little real compensation, giving platforms unbridled authority.

Internationally, efforts have been made to require algorithmic transparency and human control through frameworks such as the EU's GDPR “*right to explanation*” and the planned Platform Work Directive. But in India, workers are left in a regulatory void because neither the IT Act nor labour legislation sufficiently address these issues. Thus, the absence of transparency, fairness, and accountability is not abstract but directly shapes workers’ daily experiences. Without robust governance, algorithmic management risks entrenching unregulated managerial power and undermining the dignity of digital labour.⁸⁵

IV. IMPACT ON WORKER’S RIGHT AND EMPLOYMENT RELATIONS

⁸⁴ Matthias Weber, Ulrich Remus & Michael Pregoner, *A New Era of Control: Understanding Algorithmic Control in the Gig Economy*, in Proc. Int’l Conf. Info. Sys. (ICIS 2022) 1, 3 (2022) (conference proc’n paper).

⁸⁵ A. Verma & D. Mehta, *Gig Economy, Analysis and Monitoring Prioritizing Privacy, Dedication, Performance, and Accuracy*, in INT’L CONF. ON ICT FOR SUSTAINABLE DEV. 191, 191–208 (2024).

Employment relations and workers' rights are significantly altered by algorithmic control. Because platforms categorize employees as independent contractors, they are not entitled to job security, collective bargaining, or minimum salaries.⁸⁶ However, the algorithm has employer-like control over discipline, task distribution, and oversight, resulting in a conflicting relationship.

Under dynamic pricing and fluctuating incentives, earnings become unstable, compromising the idea of just compensation. Frequently unilateral and opaque, deactivations circumvent due process protections that are essential to regular employment. The fragmentation of workers caused by algorithmic individualization also erodes collective bargaining power and increases reliance on platforms. Monitoring is an additional aspect of harm.⁸⁷ Large volumes of behavioural data are gathered by platforms in order to evaluate performance, violating privacy and autonomy, values that are safeguarded by human rights and constitutional law. This results in what academics refer to as a “*fissured employment relationship*”, wherein self-employment is legally structured but essentially subject to algorithmic management. India has a limited framework that leaves gig workers in a grey area, even though several jurisdictions, such as the UK and EU, have started to categorize them as “*dependent contractors*”. In conclusion, algorithmic management undermines privacy, collective rights, and pay security while upending legitimate employment categories.⁸⁸ These effects highlight how inadequate the labour laws now in place are and how urgently revisions that balance innovation with fundamental labour rights become necessary.

V. REGULATIONS OF DIGITAL PLATFORMS UNDER THE IT ACT AND THE INTERMEDIARY GUIDELINES

In India, the main piece of legislation controlling digital platforms is the Information Technology Act, 2000 (IT Act).⁸⁹ It was first passed to prevent cybercrime and give legal validity to electronic records. Through the Intermediary Guidelines and Digital Media Ethics

⁸⁶ A. Joshi, S. Jain & P.K. Gupta, *Challenges and Impact of the Gig Economy*, 2 SUSTAINABLE ECONOMIES 96 (2024).

⁸⁷ Y. Fatoki, P.O. Fasuyi & T.A. Olorunnipa, *An Examination of the GIG Economy: A Case Study of Uber*, 11 J. COMM. & PROP. L. 167, 167–79 (2024).

⁸⁸ M. Dedema & H. Rosenbaum, *Socio-technical Issues in the Platform-mediated Gig Economy: A Systematic Literature Review: An Annual Review of Information Science and Technology (ARIST) Paper*, 75 J. ASS'N FOR INFO. SCI. & TECH. 344, 344–74 (2024).

⁸⁹ Information Technology Act, 2000, No. 21, Acts of Parliament, 2000 (India).

Code, 2021, its purview has progressively grown to encompass regulating online intermediaries. These rules mandate that platforms monitor material, set up grievance redressal procedures, and make sure removal orders from government authorities are complied with.⁹⁰ The IT Act views gig platforms like Uber, Zomato, and Swiggy mainly as middlemen that help customers and service providers with their transactions. Because the legislation does not acknowledge their function as labour managers or employers, there is a regulatory blind spot. Grievance officers and complaint resolution timetables are required by law, although they are designed to moderate content rather than labour conflicts.⁹¹ Therefore, statutory monitoring does not extend to algorithmic judgments about price, task allocation, or deactivation.

Accordingly, the IT Act views platforms as technology enablers rather than as organizations with substantial managerial and financial clout. Because of this narrow definition, the law is unable to address the more profound labour consequences of algorithmic management.⁹² Therefore, even though the IT Act creates standards for data and content compliance, it ignores the statutory responsibilities of employees whose jobs are dictated by platform algorithms.

VI. DATA PROTECTION, ALGORITHMIC ACCOUNTABILITY AND WORKER'S RIGHTS

The growing prevalence of data-driven decision-making on gig platforms puts algorithmic accountability and data protection at the forefront of labour governance. Gig workers produce a lot of behavioural and personal data, such as transaction histories, geolocation, and performance evaluations, which platforms use to assess, reward, and reprimand them. Nevertheless, there aren't many protections against the misuse of such data provided by the IT Act and its related regulations.⁹³ The Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011⁹⁴ and Section 43A⁹⁵

⁹⁰ L. Goldkind & J.G. McNutt, *Vampires in the Technological Mist: The Sharing Economy, Employment and the Quest for Economic Justice and Fairness in a Digital Future*, 13 ETHICS & SOC. WELFARE 51, 51–63 (2019).

⁹¹ A. Zwick, *Welcome to the Gig Economy: Neoliberal Industrial Relations and the Case of Uber*, 83 GEOJOURNAL 679, 679–91 (2018).

⁹² J.M. Roberts, *Digital Labour in the Gig Economy Before and During COVID-19*, in DIGITAL, CLASS, WORK: BEFORE AND DURING COVID-19 168, 168–91 (2022).

⁹³ J.M. Roberts, *Digital Labour in the Gig Economy Before and During COVID-19*, in DIGITAL, CLASS, WORK: BEFORE AND DURING COVID-19 168, 168–91 (2022).

⁹⁴ Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, G.S.R. 313(E) (India).

⁹⁵ Information Technology Act, 2000, No. 21, Acts of Parliament, 2000, § 43A (India).

are largely concerned with safeguarding consumer data, not employee rights in algorithmic management systems.

There are major concerns about this gap. Employees are not required by law to guarantee transparency or human oversight, nor do they have the ability to access or contest the reasoning underlying algorithmic choices that impact their revenue. International frameworks such as the EU's General Data Protection Regulation (GDPR), which introduces a "right to explanation" for automated decisions, highlight the importance of embedding accountability into algorithmic governance. On the other hand, algorithmic management is still viewed by Indian law as a technical compliance issue rather than an economic fairness issue.⁹⁶

The hazards of surveillance and exploitation are increased when there is no strong data protection policy in place. The platform economy may become even more unequal if workers' behavioural data is utilized for profiling and exclusion in addition to performance reviews. Gig workers' particular risks are not specifically addressed by India's Digital Personal Data Protection Act, 2023⁹⁷, which also does not mandate that platforms provide algorithmic logic, despite its pledges to improve human data rights.⁹⁸ The rights of workers to privacy, dignity, and equitable treatment are undermined in the absence of such safeguards, which keep the power balance skewed in favour of platforms.

VII. LIMITATIONS OF THE IT REGIME IN ADDRESSING LABOUR CONCERNS

The IT regime is still essentially insufficient to handle the labour aspects of platform work, despite its growing significance. Its provisions, not employment arrangements, are intended to control cybersecurity, digital transactions, and intermediary liability. Hence, it does not address concerns that are essential to gig workers, like equitable pay, job stability, and safeguards against arbitrary termination.⁹⁹ Platforms can avoid employer duties by being categorized as

⁹⁶ A. Zwick, *Welcome to the Gig Economy: Neoliberal Industrial Relations and the Case of Uber*, 83 GEOJOURNAL 679, 679–91 (2018).

⁹⁷ Digital Personal Data Protection Act, 2023, No. 22, Acts of Parliament, 2023 (India).

⁹⁸ A. Forsyth & S. McManus, *'Is There an App for That?': Worker Representation, Unions and the Gig Economy*, in DEMOCRACY, SOC. JUST. & THE ROLE OF TRADE UNIONS: WE THE WORKING PEOPLE 119, 119–38 (C. Kelly & J.-C. Tham eds., 2021).

⁹⁹ A. Forsyth & S. McManus, *'Is There an App for That?': Worker Representation, Unions and the Gig Economy*, in DEMOCRACY, SOC. JUST. & THE ROLE OF TRADE UNIONS: WE THE WORKING PEOPLE 119, 119–38 (C. Kelly & J.-C. Tham eds., 2021).

only intermediaries, even while algorithms have administrative power similar to that of traditional employment. An additional constraint is the lack of legally binding accountability systems. The IT Act mandates redressal mechanisms and grievance officials, however these are focused on user grievances rather than employee conflicts. Because of this, automated deactivations or unfair algorithmic tactics may take place without providing any real redress.¹⁰⁰ The Act also leaves platforms in a regulatory vacuum by not requiring companies to explain automated choices to employees or produce transparency reports on algorithmic management. This issue is made worse by the misalignment between labour legislation and IT regulations. Although Indian labour codes have made an effort to include gig and platform workers under the 2020 Social Security Code¹⁰¹, these safeguards are still very limited and primarily aspirational. In the absence of clear cross-references or comprehensive regulatory systems, Overall, the IT Act establishes a technological foundation for platform responsibility, but it ignores the socioeconomic reality of gig labour. If algorithmic justice, transparency, and worker protection are not incorporated into the IT regime, it will continue to be an inadequate and unfinished instrument for managing labour in the digital economy.¹⁰²

With the adoption of four labour codes, the Code on Wages, 2019¹⁰³; the Industrial Relations Code, 2020¹⁰⁴; the Occupational Safety, Health and Working Conditions Code, 2020¹⁰⁵; and the Code on Social Security, 2020, India's labour law system has experienced a major consolidation. These codes were created to streamline the nation's disjointed labour regulations and to modernize, rationalize, and simplify them. The definitions of “gig worker” and “platform worker”, which were included into the legislative language by the Social Security Code, are especially noteworthy. Although it doesn't specifically mention gig work, the Industrial Relations Code deals with trade unions and dispute resolution. The substantive protection of gig workers is still in doubt, despite the fact that these measures represent a step in the right direction.¹⁰⁷

¹⁰⁰ A.J. Ravenelle, K.C. Kowalski & E. Janko, *The Side Hustle Safety Net: Precarious Workers and Gig Work during COVID-19*, 64 SOC. PERSPECTIVES 898, 898–919 (2021).

¹⁰¹ The Code on Social Security, 2020, No. 36, Acts of Parliament, 2020 (India).

¹⁰² K. Gregory, *'My Life Is More Valuable Than This': Understanding Risk among On-Demand Food Couriers in Edinburgh*, 35 WORK, EMP. & SOC. 316, 316–31 (2021).

¹⁰³ The Code on Wages, 2019, No. 29, Acts of Parliament, 2019.

¹⁰⁴ The Industrial Relations Code, 2020, No. 35, Acts of Parliament, 2020.

¹⁰⁵ The Occupational Safety, Health and Working Conditions Code, 2020, No. 37, Acts of Parliament, 2020.

¹⁰⁶ The Code on Social Security, 2020, No. 36, Acts of Parliament, 2020.

¹⁰⁷ T. Goldman & D. Weil, *Who's Responsible Here? Establishing Legal Responsibility in the Fissured Workplace*, 42 BERKELEY J. EMP. & LAB. L. 55, 55–116 (2021).

VIII. APPLICABILITY OF LABOUR PROTECTION TO GIG AND PLATFORM WORKERS

Only one of the four labour codes, the Code on Social Security, specifically recognizes gig and platform workers and seeks to expand welfare programs like health insurance, life insurance, and old age benefits. With only modest contributions from platforms, the law places the onus of financing these benefits mostly on the federal and state governments. Importantly, gig workers are not entitled to the same rights under the Codes as “employees”, including job security, collective bargaining, and minimum wages. Their precarious legal status is further reinforced by this dual classification, which acknowledges gig workers as recipients of social programs but not as employees with enforceable rights. As a result, the effectiveness of current safeguards is still limited and aspirational, with no practical consequences yet to be shown.¹⁰⁸

IX. EXISTING GAPS IN EXTENDING RIGHTS TO GIG WORKERS

Beyond algorithmic opacity, data utilization is a central concern. Platforms collect vast amounts of behavioural, locational, and performance data, which is not only used to allocate work but also to shape worker behaviour through nudges and incentive designs. This form of ‘data-driven management’ effectively replaces human supervision with constant digital surveillance, raising questions under both privacy law and labour law. While the proposed Digital Personal Data Protection Act, 2023¹⁰⁹ creates general rights for data subjects, it does not recognize the unique vulnerability of platform workers whose economic survival depends on how their data is interpreted by opaque algorithms. Hence, regulation must move from a consumer-centric to a worker-centric model of data protection.

Even with the official recognition of gig and platform workers, India's labour laws are still insufficient to deal with the realities of algorithmic work. Uncertainty over employment status is the main gap. Because gig workers are not considered “employees” or even “workers”, they are not entitled to basic entitlements like social security, overtime, minimum wages, and

¹⁰⁸ Y.-W. Lei, *Delivering Solidarity: Platform Architecture and Collective Contention in China's Platform Economy*, 86 AM. SOC. REV. 279, 279–309 (2021).

¹⁰⁹ Digital Personal Data Protection Act, 2023, No. 22, Acts of Parliament, 2023.

protection from wrongful termination.¹¹⁰ Because of this uncertainty, platforms are able to use algorithms to exert administrative control while evading employer responsibilities. Enforcement is also another important flaw. According to the Social Security Code, welfare benefits are dependent on social security funds and programs that are still mostly unexecuted. These measures run the risk of becoming merely symbolic rather than substantive, leaving workers protected in theory but unprotected in reality, given the scant requirements placed on platforms. The lack of collective labour rights contributes to the growing power disparity. Although gig workers are not covered by the Industrial Relations Code, it does support unionization for employees. By isolating people through ratings and rewards, algorithmic management exacerbates this problem by reducing their ability to negotiate and solidifying their reliance on platforms. The Codes' omission regarding algorithmic governance is as troubling. Unresolved issues with bias, opacity, and automated decision-making subject employees to price volatility and arbitrary deactivation. In contrast to the EU's new platform legislation, Indian labour reforms do not incorporate accountability, transparency, or human monitoring.

Last but not least, the incompatibility of labour law and IT regulations results in a disjointed system that platforms take advantage of.¹¹¹ A regime that structurally marginalizes gig work while symbolically acknowledging it is the outcome, highlighting the need for comprehensive reforms that balance labour rights with the digital realities of platform employment.

X. IDENTIFYING THE LEGAL VACUUM AT THE CROSSROADS

India's gig and platform work regulations are a contentious area of the law where information technology and labour law meet but do not successfully interact. Gig and platform workers are recognized as a separate workforce group by the labour rules, especially the Social Security Code of 2020¹¹². In contrast, the digital platforms themselves are governed by the Information Technology Act of 2000¹¹³ and related regulations, which mainly address data security, cybercrimes, and intermediary obligations. But the algorithmic management systems that organize gig employment are not sufficiently covered by either approach. This leaves platform

¹¹⁰ M. Steinbaum, *Antitrust, the Gig Economy, and Labor Market Power*, 82 L. & CONTEMP. PROBS. 45, 45–64 (2019).

¹¹¹ V. Dubal, *On Algorithmic Wage Discrimination*, 123 COLUM. L. REV. 1929, 1929–92 (2023).

¹¹² The Code on Social Security, 2020, No. 36, Acts of Parliament, 2020.

¹¹³ Information Technology Act, 2000, No. 21, Acts of Parliament, 2000, § 66A.

workers in a legal limbo where they are acknowledged but not protected at the intersection of employment regulation and digital governance.

The disparity results from a conceptual mismatch: the IT Act governs platforms as digital intermediaries rather than employers, whereas labour statutes are intended to regulate human employers. However, in reality, algorithms, rating systems, and deactivations are how platforms exert employer-like control. Without clear regulations to control algorithmic decision-making or to hold platforms responsible for their management role, employees are left without effective redress. Gig workers are subject to the discipline of algorithms without the protections of labour law or the accountability procedures of IT governance, undermining constitutional commitments to dignity, equality, and livelihood.¹¹⁴

While both IT regulation and labour law address the gig economy, they do so in different and occasionally contradictory ways. Without considering gig workers to be employees, the labour regulations aim to offer restricted welfare protections including access to social security funds. In contrast, digital platforms are governed by the IT Act and intermediary standards as impartial information-sharing platforms rather than as active employers.¹¹⁵ This leads to a situation where platforms can avoid their labour law employer responsibilities while simultaneously posing as “*technology companies*” under IT legislation.

In contrast, the safe harbour provisions of Section 79 of the IT Act stress platform immunity from liability for user-generated content. When applied to gig platforms, this safe harbour approach enables businesses to absolve themselves of accountability for algorithmic choices that have a direct impact on employees' livelihoods.¹¹⁶ The planned Digital Personal Data Protection Act, 2023¹¹⁷, also raises concerns about algorithmic bias and workplace spying, although it does not incorporate labour protections despite introducing rights around data processing.

¹¹⁴ B. Fanfani & F. Passerini, *Are Alternative Work Arrangements a Substitute for Standard Employment?: Evidence from Worker-Level Data*, IZA - Inst. of Lab. Econ. (2024).

¹¹⁵ D. Howcroft & B. Bergvall-Kåreborn, *A Typology of Crowdfork Platforms*, 33 WORK, EMP. & SOC. 21, 21–38 (2019).

¹¹⁶ C. O'Neill et al., *When Algorithmic Management Was New: Engineered Standards and the Managerial Prerogative in Australia*, 19 WORK ORG. LAB. & GLOBALISATION 244, 244–60 (2025).

¹¹⁷ Digital Personal Data Protection Act, 2023, No. 22, Acts of Parliament, 2023.

The fragmented implementation of these rules creates confusion for employees in addition to allowing platforms to take advantage of regulatory arbitrage. For instance, the Social Security Code offers gig workers benefits, but the lack of IT law enforcement tools makes it impossible to effectively monitor platform compliance.

Alternatively, there are IT regulations on grievance redressal procedures, but they are consumer-oriented and do not cover work conflicts. Because of these conflicts and overlaps, the regulatory environment is fragmented and does not fully address digital governance or labour rights, which makes gig work even more unstable.¹¹⁸

XI. CONSEQUENCES FOR GIG WORKERS: CASE STUDIES AND EXAMPLES

Gig workers bear the brunt of this regulatory vacuum and conflict, as their experiences highlight the shortcomings in IT governance and labour legislation. Examples from e-commerce, food delivery, and ride-hailing platforms show how algorithmic management leads to exploitation, instability, and rights violations when it is not accompanied by explicit legal safeguards.¹¹⁹

The common use of algorithmic deactivation is a notable illustration. Uber and Ola drivers have complained of abruptly losing access to the app, which is frequently the result of poor reviews or complaints from users. These workers lose their only source of income overnight if they are not given due process or the opportunity to appeal. IT law views terminations of employment as business choices governed by private contracts, exempt from regulation, but labour law requires notice, a hearing, or compensation. This leads to a denial of procedural justice.¹²⁰

In a similar vein, pay volatility serves as a reminder of the lack of safeguards. Due to platform

¹¹⁸ T. López et al., *The Fairwork Project: Promoting Good Labor Practices in the Digital Platform Economy through Action Research*, in COLLAB. RSCH. IN THE DATAFIED SOC.: METHODS & PRACS. FOR INVEST. & INTERVENTION 149, 149–60 (M.T. Schäfer et al. eds., 2024).

¹¹⁹ P. Sharma, *Contested Social Relations in the Platform Economy: Class Structurisation and Collectivisation in Ride-Hailing Services in India*, 15 WORK ORG. LAB. & GLOBALISATION 25, 25–45 (2021).

¹²⁰ T. Barnes, C. O'Neill & L. Kelly, *New Worlds of Logistical Labour: Spaces, Places, Technologies, Workers*, 19 WORK ORG. LAB. & GLOBALISATION 127, 127–39 (2025).

algorithms, delivery workers on Zomato and Swiggy frequently experience abrupt changes in incentive structures or per-delivery fees. Gig workers are not covered by labour rules, which express the idea of fair compensation, and IT law does not govern economic justice in any way. The right to livelihood of workers is undermined by this regulatory gap, which exposes them to erratic and unreliable revenues.

The issue of algorithmic prejudice serves as another illustration of the negative effects of fragmented governance. For example, research conducted both in India and abroad has revealed that customer evaluation systems frequently penalize employees based on their accent, gender, or caste. Such discriminatory actions would be considered violations of anti-discrimination and equality standards under a labour law framework.¹²¹ Nevertheless, they are exempt from legal examination under both labour and IT regimes when they are mediated by algorithms and classified as consumer feedback. Under the pretence of impartial technology, structural injustices are sustained in the absence of accountability measures. Comparative examples also highlight the effects of regulatory inadequacies in India. The Employment Tribunal ruled in the UK case *Aslam v. Uber (2016)*¹²² that, in spite of the platform's assertions that it is a technology intermediary, Uber drivers were “workers” entitled to minimum wage and holiday pay. Recognizing the employer-like function of algorithms, Spain's “*Riders Law*” (2021) mandates that food delivery services identify couriers as employees. The ability of legal institutions to adjust to the reality of algorithmic management is demonstrated by these interventions. In contrast, Indian regulators and courts have not yet established a logical framework, so workers must rely on union activism or ad hoc lawsuits to be protected.¹²³

When these gaps are combined, the result is a system of algorithmic precarity, where workers are subject to opaque digital systems without the protections of IT regulations or labour laws. They face discrimination, invasive surveillance, abrupt job loss, and fluctuating salaries without any real redress. Their constitutional rights to equality, livelihood, and dignity are all compromised by this, and it also reveals how structurally Indian regulatory institutions have failed to keep up with technology advancements in the labour market.¹²⁴

¹²¹ F. Pasquale, *Two Narratives of Platform Capitalism*, 35 YALE L. & POL'Y REV. 309, 309–19 (2016).

¹²² *Aslam v. Uber B.V.*, [2016] UKET 2202551/2015 (Eng.).

¹²³ V. Dubal, *On Algorithmic Wage Discrimination*, 123 COLUM. L. REV. 1929, 1929–92 (2023).

¹²⁴ V. Dubal, *On Algorithmic Wage Discrimination*, 123 COLUM. L. REV. 1929, 1929–92 (2023).

XII. COMPARATIVE PERSPECTIVE

When these gaps are combined, the result is a system of algorithmic precarity, where workers are subject to opaque digital systems without the protections of IT regulations or labour laws. They face discrimination, invasive surveillance, abrupt job loss, and fluctuating salaries without any real redress.¹²⁵ Their constitutional rights to equality, livelihood, and dignity are all compromised by this, and it also reveals how structurally Indian regulatory institutions have failed to keep up with technology advancements in the labour market.

Judicial interventions have been a major tool used in the UK to fill legal gaps. The Supreme Court acknowledged Uber drivers as “workers” in the case of *Uber BV v. Aslam (2021)*¹²⁶, granting them paid leave and minimum salary, even though the firm claimed to be a technical middleman. The employer-like role of algorithmic management was highlighted by this decision. The regulatory strategy in the US has been disjointed. While states like California temporarily increased rights via Assembly Bill 5 (2019) before industry lobbying limited its scope through Proposition 22, federal labour law still classifies gig workers as independent contractors. However, there is now more discussion on algorithmic accountability in the workplace, especially when it comes to data rights and anti-discrimination.

These comparative trends emphasize the significance of integrated regulation for India. The EU approach shows that algorithmic governance may be incorporated into labour rights to provide due process and transparency.¹²⁷ The experiences of the US and the UK demonstrate how courts and state-level measures might reclassify workers or impose duties on platforms. In stark contrast is the regulatory void in India, where the IT Act and labour laws are still separate. The most important takeaway is that algorithmic management cannot be regulated under IT legislation only as a technical matter; it also needs to be addressed as a social justice and employment rights issue that calls for cross-sectoral reforms.

While India cannot transplant EU frameworks wholesale, specific provisions provide valuable guidance. The EU’s ‘right to explanation’ under GDPR could be integrated into India’s IT

¹²⁵ A.L. Kalleberg & M. Dunn, *Good Jobs, Bad Jobs in the Gig Economy*, 20 PERSPECTIVES ON WORK 10, 10-75 (2016).

¹²⁶ *Uber B.V. v. Aslam*, [2021] UKSC 5.

¹²⁷ R. Calo & A. Rosenblat, *The Taking Economy: Uber, Information, and Power*, 117 COLUM. L. REV. 1623, 1623-90 (2017).

rules, giving workers access to the reasoning behind automated decisions such as deactivations or wage reductions. Similarly, Spain's 'Riders Law', which reclassified delivery workers as employees, offers a legislative model for recognizing employer-like control in India's context, where platforms exercise significant supervision.¹²⁸ The EU Platform Work Directive's insistence on algorithmic transparency and human oversight could be localized through amendments to the IT Act, requiring platforms to disclose key parameters of algorithmic decision-making that affect employment. By selectively adapting these mechanisms, India can avoid regulatory arbitrage while safeguarding constitutional values.¹²⁹

XIII. CONSTITUTIONAL DIMENSION

Caste, gender, and language inequalities are frequently replicated by algorithms used by gig platforms, compromising the equality guaranteed by Article 14. Workers are exposed to consumer biases through rating-based systems, for instance, which results in indirect discrimination without obvious accountability. Therefore, in order to ensure that algorithmic governance is fair, digital labour regulation must be based on constitutional equality principles, making sure that technical systems do not reinforce structural injustices.¹³⁰

According to Article 21, which protects the right to life and livelihood, algorithmic deactivation methods are extremely concerning. As the Supreme Court has often stressed in decisions like *Maneka Gandhi v. Union of India (1978)*¹³¹, abrupt deactivation without warning or hearing constitutes a violation of procedural due process. Workers' livelihood and dignity are undermined by algorithms' opacity, which effectively prevents them from contesting unfavourable judgments. Thus, it is constitutionally required that due process protections be incorporated into platform governance.

To date, Indian courts have taken a piecemeal approach to gig employment, mostly through public interest litigation and labour conflicts. For instance, petitioners have asked for gig workers to be included in social security programs, and High Courts have on occasion

¹²⁸ U. Huws, *The Algorithm and the City: Platform Labour and the Urban Environment*, 14 WORK ORG. LAB. & GLOBALISATION 7, 7-14 (2020).

¹²⁹ N. van Doorn, *At What Price? Labour Politics and Calculative Power Struggles in On-Demand Food Delivery*, 14 WORK ORG. LAB. & GLOBALISATION 136, 136-49 (2020).

¹³⁰ K.S. Rahman, *From Economic Inequality to Economic Freedom: Constitutional Political Economy in the New Gilded Age*, 35 YALE L. & POL'Y REV. 321, 321-36 (2016).

¹³¹ *Maneka Gandhi v. Union of India*, AIR 1978 SC 597.

recognized the exploitative nature of platform work. However, algorithmic fairness and opacity are not well addressed in jurisprudence.¹³² The UK and other comparator jurisdictions, on the other hand, have acknowledged algorithmic management as a matter of employment law. As technology advances, Indian courts will have the chance to apply the equality and livelihood principles found in the constitution to algorithmic decision-making, guaranteeing that legal safeguards keep pace with these developments.

Although India's labour laws officially acknowledge gig and platform workers, our study shows that they do not offer sufficient safeguards against the realities of algorithmic management. However, platforms' employer-like position is not addressed by the Information Technology Act and its regulations, which merely govern them as digital intermediaries. At the nexus of labour law and IT governance, there is a legal void where platforms have substantial control over workers' livelihoods without taking on the associated obligations. Gig workers thus have little options for recourse and are subject to surveillance, algorithmic bias, opaque deactivations, and unstable income.¹³³ The EU, UK, and US comparative experiences show that these issues can be lessened by enacting legislative changes, recognizing platform control by the courts, and incorporating transparency into digital governance.

XIV. TOWARDS AN INTEGRATED LEGAL FRAMEWORK FOR ALGORITHMIC GOVERNANCE & RECOMMENDATIONS

The necessity of integration is this study's key finding. Because IT governance and labour law now operate independently, platforms are able to take advantage of regulatory gaps. Algorithmic management must be clearly acknowledged as a technology and labour rights concern in an integrated framework. The Social Security Code, 2020, could be amended to give gig workers enforceable rights like minimum wages, due process in termination, and collective bargaining.¹³⁴ At the same time, the IT Act could be amended to include requirements that guarantee algorithmic transparency, fairness, and accountability in employment settings. Connecting these two regimes would offer comprehensive security without compromising digital platforms' capacity for innovation.

¹³² K. Andrias, *The New Labor Law*, 126 YALE L.J. 2, 2-100 (2016).

¹³³ A. Bogg, *The Common Law Constitution at Work: R (on the Application of UNISON) v Lord Chancellor*, 81 MOD. L. REV. 509, 509-26 (2018).

¹³⁴ K. Andrias, *The New Labor Law*, 126 YALE L.J. 2, 2-100 (2016).

The tenets of platform regulation in India ought to be accountability and transparency. Indian law must ensure workers have the right to an explanation for automated choices, especially when it comes to deactivation or wage changes, building on global models like the EU Platform Work Directive. Furthermore, accountability ought to cover employment-related problems in addition to consumer-focused grievance redressal under IT regulations. To guarantee equity and non-discrimination, platforms must be compelled to set up independent supervision procedures, such as human review of algorithmic judgments. Integrating worker protections also means tackling data privacy and surveillance: employees need to be in charge of the personal information that platforms gather about them and have protections against invasive monitoring. These safeguards are in line with the constitutional obligations made in Articles 14¹³⁵ and 21¹³⁶, which guarantee equality, dignity, and a living wage in the digital workplace.

To move beyond descriptive recognition, this study proposes three possible models of integrated legal governance for India. First, a '*Platform Work Act*' model, which consolidates worker protections, algorithmic accountability, and platform responsibilities into a single statute, harmonizing labour and IT law. Second, an amendment model, whereby the Social Security Code, 2020¹³⁷ is amended to include enforceable minimum protections such as wage guarantees and due process safeguards, while the IT Act, 2000¹³⁸ is amended to regulate algorithmic decision-making in employment contexts. Third, a constitutional interpretation model, wherein Indian courts interpret Articles 14¹³⁹ and 21¹⁴⁰ expansively to impose fairness and procedural safeguards on algorithmic management, much as the Supreme Court has historically broadened the right to life and livelihood. While each approach has trade-offs, the core principle remains harmonisation across labour and IT frameworks to ensure both accountability and innovation.

To operationalize due process, legal governance must go beyond normative commitments. One approach is to mandate human-in-the-loop safeguards, requiring that any termination or deactivation decision be subject to human review and explanation.¹⁴¹ Another mechanism is

¹³⁵ INDIA CONST. art. 14

¹³⁶ INDIA CONST. art. 21.

¹³⁷ Id.

¹³⁸ Id.

¹³⁹ Id.

¹⁴⁰ Id.

¹⁴¹ Supra at 14.

the creation of independent grievance redressal boards for platform workers, modelled on labour tribunals, where disputes relating to algorithmic decisions can be challenged. Additionally, statutory provisions could require platforms to conduct periodic fairness audits of their algorithms, overseen by a regulatory body combining expertise from labour and IT domains. These mechanisms would concretize constitutional guarantees of equality and livelihood by embedding them in enforceable processes.

XV. CONCLUSION

The goal of this essay was to examine how labour law and IT regulations are increasingly overlapping in the context of India's platform economy. It started by pointing out how work is changing on digital platforms, where automated systems decide who may access opportunities, track performance, and enforce compliance, often without accountability or transparency. India's Labour Codes have made great strides, especially in acknowledging gig and platform workers, but without legally binding commitments, the protections are essentially merely symbolic. Platforms are regulated as digital service providers by the IT Act¹⁴² and Intermediary Guidelines, although they do not address their function as de facto employers. Because of the ensuing regulatory void, gig workers are in a vulnerable position: acknowledged but unprotected, prominent but silent in the legal system.¹⁴³

According to the research, platforms might avoid accountability while wielding disproportionate authority due to the fragmentation of governance, which occurs when labour and IT laws function independently. In addition to being denied employee rights and barred from collective bargaining, gig workers are also exposed to capricious algorithmic judgments like abrupt terminations or unilateral wage structure adjustments. Further separating the legal aim from actual protection is the fact that assistance guarantees made under the Social Security Code are still dependent on un-operationalized programs.

Comparative analysis between the US, UK, and EU show that different models are feasible. The AI Act and the EU's Platform Work Directive combine algorithmic responsibility with labour rights, and U.S. and UK courts are beginning to acknowledge platforms' employer-like functions. These international events teach India important lessons about the need for reforms

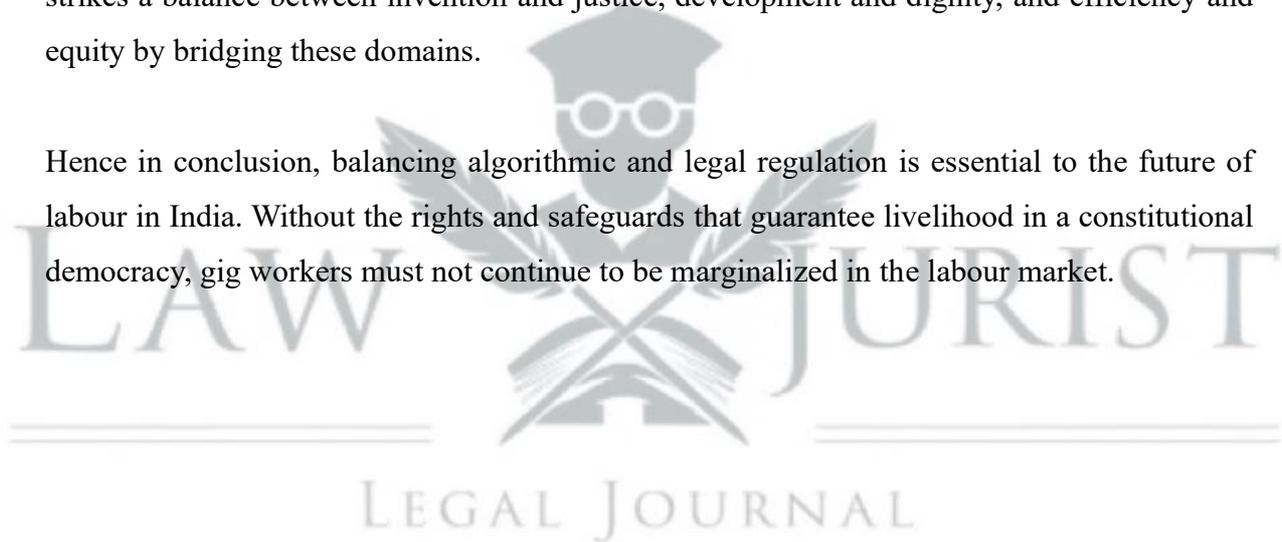
¹⁴² Supra at 22.

¹⁴³ Supra at 19.

that go beyond token acknowledgment and incorporate legally binding protections. A solid normative basis for requiring equity, equality, and dignity in the digital workplace is provided by Articles 14¹⁴⁴ and 21¹⁴⁵ of the Constitution itself.

This research's importance stemmed from its demand for a comprehensive legal system. Without regulating the technical mechanisms that direct contemporary work, labour rights cannot be effectively protected, and without addressing the labour implications of algorithmic governance, IT policy cannot guarantee equity. India can create a comprehensive model that strikes a balance between invention and justice, development and dignity, and efficiency and equity by bridging these domains.

Hence in conclusion, balancing algorithmic and legal regulation is essential to the future of labour in India. Without the rights and safeguards that guarantee livelihood in a constitutional democracy, gig workers must not continue to be marginalized in the labour market.



¹⁴⁴ Supra at 67.

¹⁴⁵ Supra at 68.