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Legal Challenges in Determining the Employer–Employee Relationship in the Gig Economy

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ABSTRACT

The rapid expansion of the gig economy and platform-based employment has fundamentally transformed the traditional employment landscape by introducing flexible, technology-driven work arrangements. Digital platforms such as ride-hailing, food delivery and freelance marketplaces have created new opportunities for income generation while simultaneously challenging established principles of labour law. One of the most significant issues arising from this transformation is the uncertainty surrounding the determination of the employer–employee relationship. Platform companies frequently classify gig workers as independent contractors rather than employees, thereby excluding them from statutory labour protections such as minimum wages, social security benefits, paid leave, workplace safety and protection against unfair dismissal. This classification has generated considerable legal debate regarding the true nature of the relationship between platforms and workers. This paper examines the challenges involved in determining the employer–employee relationship within the gig economy by analysing traditional legal tests, including the control test, the integration test, the economic reality test and the hybrid approach, in the context of digital platform work. It further explores the impact of algorithmic management, economic dependence, contractual ambiguity and technological advancement on employment classification. The study also analyses the Indian legal framework, particularly the Code on Social Security, 2020, along with relevant judicial developments and comparative international approaches. Finally, the paper proposes reforms aimed at creating a balanced legal framework through clearer statutory definitions, enhanced social security measures, regulation of platform governance and recognition of fundamental labour rights. The research concludes that modern labour law must evolve to address the realities of platform-based employment while ensuring fairness, flexibility and adequate protection for gig workers in the digital economy.

Keywords: Gig Economy, Employer-Employee Relationship, Labor Law

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I. INTRODUCTION

The nature of employment has changed considerably with the growth of digital technology. Earlier, the relationship between an employer and an employee was generally easy to identify. A person worked for a particular employer, followed instructions, received wages and worked at a designated workplace or according to a fixed arrangement. Labour laws were largely developed around this traditional model of employment. The emergence of the gig economy has made this relationship much less straightforward.

Today, a person can earn an income by driving for a ride-hailing platform, delivering food, providing domestic services, completing freelance assignments or performing other tasks through a digital platform. Such workers are generally paid according to the task or service performed rather than receiving a fixed monthly salary. They may also be free to decide when they want to work and, in some cases, may work through more than one platform.

This flexibility is one of the main attractions of gig work. At the same time, it has created a difficult legal question: are gig workers genuinely independent, or are they employees working under a new form of employment relationship?

The question becomes more complicated when the actual functioning of digital platforms is examined. A platform may decide the price of a service, allocate work, monitor performance through ratings, determine incentives and even suspend or deactivate a worker's account. Therefore, although there may be no traditional manager standing beside the worker and giving instructions, the platform can still exercise substantial control through technology.

The problem is particularly important because the classification of a worker determines the extent of labour protection available to that person. An employee may be entitled to various statutory benefits and protections, whereas an independent contractor generally has to rely upon the terms of the contract. A worker who is incorrectly classified as an independent contractor can therefore be left without adequate protection despite being economically dependent upon the platform.

Indian law has begun to recognise this new category of workers. The Code on Social Security, 2020 expressly defines “gig worker”, “platform work” and “platform worker”. 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 the traditional employer–employee relationship. Sections 2(60) and 2(61) similarly recognise platform work and platform workers.¹

¹ The Code on Social Security, No. 36 of 2020, INDIA CODE (2020), §§ 2(35), 2(60), 2(61). The statutory definitions expressly distinguish gig and platform work from the traditional employer–employee relationship. The Code

However, recognition as a gig worker does not completely resolve the question of employment status. A worker may be called an independent contractor in an agreement even when the platform controls important aspects of the person's work. This makes it necessary to examine the actual relationship rather than relying only upon contractual terminology.

The central issue examined in this paper is therefore the difficulty of determining the employer–employee relationship in the gig economy. The paper first explains the traditional concept of employment and the nature of gig work. It then examines the practical and legal challenges created by platform-based work, followed by an analysis of the Indian legal and judicial framework. Finally, it suggests possible measures through which labour law can respond to the changing nature of employment while retaining the flexibility associated with gig work.

II. CONCEPTUAL FRAMEWORK OF THE EMPLOYER–EMPLOYEE RELATIONSHIP AND THE GIG ECONOMY

A. Meaning of employer–employee relationship

An employer–employee relationship generally exists where one person agrees to perform work for another under conditions that indicate a relationship of service. The employee normally works under the direction or supervision of the employer and receives remuneration in return.

Indian courts have traditionally distinguished between a contract *of* service and a contract *for* service. A contract of service generally indicates an employment relationship, while a contract for service normally refers to an independent contractor who undertakes to provide a particular service.

The distinction is important because labour legislation has traditionally been based upon the existence of an employment relationship. The difficulty is that there is no single factor that can conclusively determine whether such a relationship exists.

B. Tests for determining an employer–employee relationship

i. Control and supervision test

The traditional test used by Indian courts is the control and supervision test. In *Dharangadhara Chemical Works Ltd. v. State of Saurashtra*, the Supreme Court observed that the *prima facie* test of an employer–employee relationship is the employer's right not merely to direct what work is to be done but also to control the manner in which the work is carried out.²

received Presidential assent on Sept. 28, 2020 and was brought into force, save for certain provisions, from Nov. 21, 2025. MINISTRY OF LABOUR AND EMPLOYMENT, Notification S.O. 5319(E) (Nov. 21, 2025).

² *Dharangadhara Chemical Works Ltd. v. State of Saurashtra*, AIR 1957 SC 264, [1957] SCR 152, 160 (India) (decided Nov. 23, 1956).

The Court also recognised that the nature and extent of control may vary depending upon the nature of the work and of the business. A highly skilled worker may not require the same level of supervision as an unskilled worker. Therefore, the absence of detailed instructions does not automatically mean that the person is independent.³

This is particularly relevant to gig work. A platform may not tell a driver exactly how to drive a vehicle or tell a delivery worker how to physically carry a package, but it may still control important aspects of the work through its application.

ii. Integration or organisation test

The integration test examines whether the worker is integrated into the business of the alleged employer.

The question is not simply whether the person performs a service for the organisation, but whether the work forms an integral part of the organisation's business.

The Supreme Court moved beyond a strict control-based approach in *Silver Jubilee Tailoring House v. Chief Inspector of Shops and Establishments*. The Court recognised that the traditional control test could not always be applied mechanically, particularly where the worker possessed specialised skills.⁴

This approach is relevant to platform companies because the service performed by workers may be the central activity through which the platform earns revenue. For example, transportation is central to a ride-hailing platform and delivery is central to a food-delivery platform.

iii. Economic dependence test

Another relevant consideration is economic dependence. The question is whether the worker is genuinely operating an independent business or is economically dependent upon the alleged employer.

Factors such as the worker's ability to negotiate remuneration, the possibility of making a profit or suffering a loss, the extent of dependence on one platform and the worker's ability to obtain work independently can be considered.

³ *Id.* (observing that "[t]he nature or extent of control which is requisite to establish the relationship of employer and employee must necessarily vary from business to business and is by its very nature incapable of precise definition", and that the correct approach is to consider whether, "having regard to the nature of the work", there was due control and supervision by the employer).

⁴ *Silver Jubilee Tailoring House v. Chief Inspector of Shops and Establishments*, (1974) 3 SCC 498, [1974] 1 SCR 747, 757, AIR 1974 SC 37 (India) (decided Sept. 25, 1973). The decision is significant for moving beyond an exclusive reliance on the traditional control test, holding that control "is now no more than a factor, although an important one".

Economic dependence is especially important in the gig economy because formal flexibility may exist alongside substantial financial dependence.

iv. Multifactor approach

Modern employment relationships cannot always be identified by one test. Courts therefore consider several factors together. These may include:

- the degree of control exercised by the alleged employer
- the method of payment
- ownership of equipment
- the worker's ability to work for others
- the degree of integration into the business
- the power to terminate the relationship
- the level of economic dependence
- the nature and importance of the work performed.

The importance of this approach is that it allows courts to examine the actual substance of the relationship rather than treating one factor as conclusive.

C. Meaning of the gig economy

The gig economy refers to a system of work in which individuals earn income through temporary, task-based or short-term assignments instead of entering into conventional permanent employment.

Digital platforms have become an important part of this economy. They connect consumers with workers and provide the technological infrastructure through which work is allocated and payments are made.

Gig work can broadly be divided into two categories. The first is location-based work, such as ride-hailing, food delivery, courier services and domestic services. The second is online platform work, including freelancing, programming, graphic design, writing and data-related services.

D. Characteristics of gig and platform work

Gig work generally has several distinctive characteristics.

First, the work is often task-based. A worker is paid for a ride, delivery, project or assignment rather than for completing a fixed number of working hours.

Second, there is usually a degree of flexibility. Workers may be able to choose when they log into the platform.

Third, the relationship is often digitally mediated. The application connects the worker and the customer and may also determine how the transaction is carried out.

Finally, platforms increasingly use algorithmic management. Algorithms can allocate work, determine prices, calculate incentives, record performance and make decisions concerning a worker's continued access to the platform.

These characteristics make gig work different from traditional employment and are also responsible for many of the legal difficulties associated with determining employment status.

III. LEGAL CHALLENGES IN DETERMINING THE EMPLOYER–EMPLOYEE RELATIONSHIP

A. Contractual classification as independent contractors

The first major difficulty arises from the way platforms describe their workers.

Workers are often called “independent contractors”, “partners” or “service providers”. The platform agreement may state that the platform is merely an intermediary connecting the worker with customers.

This contractual classification can make it difficult for a worker to claim employee status. However, a contract cannot always provide a complete picture of the relationship. The parties may describe the arrangement in one way while the actual working conditions operate in another.

If contractual terminology were treated as conclusive, a company could potentially avoid labour obligations simply by describing every worker as an independent contractor.

Therefore, the real question should be whether the worker is genuinely independent in practice.

B. Algorithmic control

Algorithmic management is one of the most important challenges created by the gig economy.

In a traditional workplace, control is usually visible. A manager may assign work, monitor performance and take disciplinary action. In a platform-based workplace, these functions may be performed by an application.

An algorithm can determine which worker receives an assignment, the order in which assignments are offered, the amount paid, the incentives available and whether certain workers continue receiving assignments.

This makes the traditional control test more difficult to apply. If control is understood only as direct human supervision, platform workers may appear independent. If control through technology is recognised, the relationship may look considerably more like employment.

The law therefore needs to recognise that control can exist without direct human supervision.

C. Flexibility and economic dependence

Flexibility is often presented as evidence that gig workers are independent.

A driver may be able to log in whenever they want. A delivery worker may decide how many hours to work. A freelancer may choose which projects to accept.

However, the existence of flexibility does not necessarily mean that the worker is economically independent.

For example, a worker may technically be free to reject an assignment, but repeated rejection may affect ratings, incentives or future opportunities. Similarly, a driver may be free to log out of an application but may have to remain available during peak hours to earn a reasonable income.

The law must therefore distinguish between formal flexibility and real economic independence.

D. Control over remuneration

Control over remuneration is another important factor.

An independent businessperson would normally have some ability to negotiate the price of services. Platform workers often have little such power. The platform may determine fares, delivery payments, commissions and incentive structures.

The worker may only be given the choice of accepting or rejecting the amount fixed by the platform.

Where the platform controls both access to customers and remuneration, the worker's bargaining power may be significantly limited. This can indicate a relationship that is closer to employment than to genuine independent contracting.

E. Ratings and performance monitoring

Ratings are another important source of control.

A customer may rate a driver or delivery worker after every transaction. The platform then collects and processes this information. A worker's rating may affect access to assignments, incentives or continued participation.

Although the rating is technically given by the customer, the platform decides how the rating is used. In this way, the rating system can operate as a form of performance management.

This raises an important question: if poor ratings can result in reduced work opportunities or deactivation, should the rating system be considered equivalent to an employer's disciplinary mechanism?

The answer is likely to depend upon the extent to which the platform uses ratings to control the worker.

F. Work allocation through algorithms

Traditional employees usually receive instructions from a manager or supervisor. Platform workers often receive work automatically.

The algorithm may decide which driver receives a ride or which delivery worker receives an order. The worker may have little knowledge of why a particular assignment was allocated to them.

This creates a form of control that is difficult to identify using traditional legal concepts.

Work allocation is not merely an administrative function. If refusing assignments affects a worker's ratings, incentives or access to future work, the allocation system can significantly influence worker behaviour.

G. Deactivation and termination

Deactivation is another major legal problem.

A traditional employee who is dismissed loses their job. A platform worker whose account is permanently deactivated may similarly lose the ability to earn an income.

However, platforms may argue that deactivation is not termination because there is no employment relationship in the first place.

This creates a practical gap in protection. A worker may suddenly lose their primary source of income without receiving adequate reasons or an opportunity to challenge the decision.

Where deactivation is effectively permanent and prevents the worker from continuing to earn through the platform, it should be treated as a serious employment-related decision requiring procedural safeguards.

H. Multiple-platform work

Another challenge is that gig workers may work for several platforms at the same time.

This is sometimes treated as evidence that they are independent contractors. However, it should not automatically determine the issue.

In *Silver Jubilee Tailoring House*, the Supreme Court recognised that the fact that some workers undertook work for other establishments did not necessarily prevent an employer–employee relationship.⁵

The same reasoning can apply to platform workers. A person may drive for two applications while still being subject to substantial control by each platform.

The relevant question should therefore be the nature of the relationship with the particular platform rather than simply whether the worker works elsewhere.

I. Ownership of equipment

Ownership of equipment can also create confusion.

Drivers may own their cars, delivery workers may own their motorcycles and online freelancers may use their own computers.

This can indicate independence, but it should not be treated as conclusive. A person can own the tools used for work while remaining economically dependent upon and controlled by a platform.

The ownership of equipment should therefore be considered alongside other factors rather than treated as decisive.

J. Difficulty in identifying the employer

The platform economy can involve several participants: the customer, the platform, the worker and sometimes a fleet operator or other intermediary.

This makes it difficult to identify who should be responsible for labour obligations.

A platform may argue that it merely connects customers with service providers. At the same time, it may control prices, access to customers, performance standards and account access.

The law therefore has to look at the actual role played by the platform rather than its preferred description of itself.

K. Consequences of misclassification

Misclassification can have serious consequences.

⁵ *Silver Jubilee Tailoring House*, (1974) 3 SCC 498, [1974] 1 SCR 747, 759 (observing that “[a] servant need not be under the exclusive control of one master. He can be employed under more than one employer”, and that part-time work does not by itself exclude a contract of service).

A worker who is wrongly treated as an independent contractor may be excluded from important labour protections, including social security benefits, accident protection, wage-related safeguards and mechanisms for challenging unfair termination.

The issue is therefore much more significant than the technical distinction between a contract of service and a contract for service. It determines who bears the risks associated with work.

IV. LEGAL AND JUDICIAL FRAMEWORK AND CASE LAW

A. Indian legal position

Indian labour law has traditionally been based upon the distinction between employees and independent contractors. Different labour statutes use different definitions and tests, which means that employment status may sometimes depend upon the legislation under consideration.

The emergence of gig work has exposed the limitations of this traditional framework because many platform workers fall outside the conventional definition of employment.

The most important legislative development in this area is the Code on Social Security, 2020.

B. Code on Social Security, 2020

The Code on Social Security, 2020 expressly recognises gig workers 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 the traditional employer–employee relationship.

Section 2(60) defines platform work as a work arrangement outside a traditional employer–employee relationship in which organisations or individuals use an online platform to access other organisations or individuals to solve specific problems or to provide specific services, in exchange for payment.

Section 2(61) defines a platform worker as a person engaged in or undertaking platform work.⁶

The Code therefore acknowledges that the modern workforce includes people who do not fit neatly within the traditional employer–employee model.

i. Social security schemes

Section 113 of the Code deals with the registration of unorganised workers, gig workers and platform workers.

⁶ The Code on Social Security, No. 36 of 2020, INDIA CODE (2020), §§ 2(35), 2(60), 2(61).

Section 114 empowers the Central Government to frame social security schemes for gig and platform workers. These schemes may relate to life and disability cover, accident insurance, health and maternity benefits, old-age protection, crèche facilities and other benefits.⁷

The Code also provides for contributions by aggregators. Section 114(4) provides for an aggregator contribution within the limits prescribed by the legislation.⁸

These provisions are important because they recognise that workers can require social protection even where they are not considered employees in the traditional sense.

However, the Code does not automatically classify gig workers as employees. It creates a separate statutory framework for their social security. Therefore, the underlying question of whether a particular worker is actually an employee can still arise under other labour legislation.

C. Dharangadhara Chemical Works Ltd. v. State of Saurashtra

The decision in *Dharangadhara Chemical Works Ltd. v. State of Saurashtra* is one of the foundational authorities on determining an employer–employee relationship.

The Supreme Court observed that the *prima facie* test was whether the alleged employer had the right to control not only what work was to be done but also the manner in which it was to be done. The Court also clarified that the nature and extent of control would vary from business to business.⁹

The decision remains relevant to gig work, but the meaning of control has to be adapted. In a digital workplace, control may be exercised through algorithms rather than direct instructions.

D. Silver Jubilee Tailoring House v. Chief Inspector of Shops and Establishments

In *Silver Jubilee Tailoring House v. Chief Inspector of Shops and Establishments*, the Supreme Court moved beyond a rigid application of the control test.

The Court considered several circumstances, including the ownership of machinery, the way work was organised and the relationship between the workers and the establishment. It also

⁷ The Code on Social Security, No. 36 of 2020, INDIA CODE (2020), § 114(1). The provision identifies life and disability cover, accident insurance, health and maternity benefits, old-age protection, crèche and any other benefit as possible subjects of social security schemes.

⁸ The Code on Social Security, No. 36 of 2020, INDIA CODE (2020), § 114(4) (providing that aggregators shall contribute, at a rate notified by the Central Government of not less than one and not more than two per cent of annual turnover, subject to a ceiling of five per cent of the amount paid or payable by the aggregator to gig workers and platform workers).

⁹ *Dharangadhara Chemical Works*, [1957] SCR 152, 160 (identifying the right to control the manner of work as the *prima facie* test while recognising that the nature and extent of control vary from business to business).

recognised that the fact that some workers undertook work for other establishments did not prevent them from being employees.¹⁰

The decision is particularly useful for platform work because it demonstrates that employment status must be determined by examining the relationship as a whole.

E. Balwant Rai Saluja v. Air India Ltd.

In *Balwant Rai Saluja v. Air India Ltd.*, the Supreme Court considered the question of control in the context of workers engaged in a statutory canteen run through a subsidiary company, who claimed to be employees of the principal employer.

The Court distinguished ordinary supervision from the kind of effective control that would establish an employer–employee relationship. Merely requiring work to meet certain standards is not necessarily sufficient to establish employment.¹¹

This distinction is important in the platform context. A platform may establish safety or service standards without necessarily becoming an employer. However, if it goes further and controls remuneration, allocation of work, performance and continued access to the platform, the nature of the relationship may be different.

F. Indian Federation of App-Based Transport Workers v. Union of India

The concerns of app-based workers have also reached the Supreme Court in *Indian Federation of App-Based Transport Workers (IFAT) v. Union of India*, W.P. (C) No. 1068 of 2021.

The petition raises questions relating to the social security rights of app-based transport workers and the implementation of provisions concerning gig and platform workers.

The Supreme Court’s proceedings demonstrate the gap between recognising gig workers in legislation and actually providing them with effective social security protection. The Court has considered the implementation of the Code’s provisions and the need for an appropriate framework for gig and platform workers.¹²

The case is significant because it reflects the broader legal transition taking place in India. The law has recognised the existence of gig workers, but questions concerning the extent and form of their protection continue to develop.

¹⁰ *Silver Jubilee Tailoring House*, (1974) 3 SCC 498.

¹¹ *Balwant Rai Saluja v. Air India Ltd.*, (2014) 9 SCC 407 (India) (holding that supervision exercised “merely to ensure due maintenance of standards and quality” in the canteen did not amount to “effective and absolute control” over the workers).

¹² *Indian Federation of App-Based Transport Workers (IFAT) v. Union of India*, W.P. (C) No. 1068 of 2021 (India). The proceedings concern the legal and social security protection of app-based transport workers; the petition was brought under Article 32 of the Constitution and invokes Articles 14, 21 and 23.

G. Comparative case: *Uber BV v. Aslam*

The UK Supreme Court's decision in *Uber BV v. Aslam* provides a useful comparison.

Uber argued that its drivers were independent contractors who entered into contracts directly with passengers. The UK Supreme Court, however, examined the practical relationship and held that the drivers came within the statutory definition of “worker” for the purposes of the relevant employment legislation.¹³

The decision is important because the Court did not allow the contractual description of the relationship to settle the question. Instead, it considered the degree of control exercised by Uber and the practical circumstances in which drivers worked.

India need not adopt the UK model in exactly the same form. However, the decision provides a useful illustration of how employment status can be determined by looking at the reality of platform work.

H. Judicial approach and its limitations

The Indian cases demonstrate that the courts already possess several principles that can be applied to gig work. The problem is that these principles were developed in the context of traditional industries.

The control test, for example, assumes that control can be observed through direct supervision. Platform work makes control less visible: it is embedded in the application's design.

Similarly, the integration test becomes difficult to apply when a platform describes itself as a technology company even though the services performed by workers are central to its business.

Therefore, the existing tests should not be discarded. They should be interpreted in a manner that takes account of the realities of digital work.

V. RESOLVING THE CHALLENGES AND THE WAY FORWARD

A. Adoption of a multifactor test

The most practical solution would be to adopt a clear multifactor approach specifically suited to platform work.

Courts and authorities should consider:

- the degree of control exercised by the platform

¹³ *Uber BV v. Aslam* [2021] UKSC 5 (appeal taken from Eng.) (holding that the drivers were “workers” within the meaning of the Employment Rights Act 1996, c. 18, § 230(3)(b) (UK), and the related minimum wage and working time legislation).

- who determines remuneration
- who allocates work
- the effect of ratings
- the consequences of rejecting assignments
- the power to suspend or deactivate the worker
- the worker's economic dependence
- the ability to negotiate contractual terms
- ownership of equipment
- the ability to work for other platforms
- the extent to which the worker is integrated into the platform's business.

No single factor should be treated as decisive. The relationship should be assessed as a whole.

B. Recognising algorithmic control

The concept of control must be updated to include algorithmic management.

If an application determines work allocation, remuneration, ratings and access to future work, these functions should be considered when deciding whether the platform exercises employer-like control.

Platforms should also be required to explain important automated decisions in a manner that workers can understand.

A worker should not lose their primary source of income because of an automated decision without knowing why the decision was made.

C. Economic dependence as a relevant factor

Economic dependence should receive greater weight in employment classification.

A worker who earns most of their income through one platform and has little ability to negotiate the terms of the relationship may be in a position similar to that of an employee even if the contract describes them as independent.

A presumption of dependent work could be considered where significant economic dependence exists together with substantial platform control. The platform could then be given an opportunity to establish that the worker is genuinely independent.

D. Minimum rights irrespective of classification

The distinction between employees and independent contractors should not be the only basis for labour protection.

Some minimum rights should apply to all gig workers, including:

- accident protection
- social security benefits
- timely payment
- protection from discrimination
- occupational safety
- transparency in automated decision-making
- protection against arbitrary deactivation
- access to a grievance mechanism.

This would ensure that workers do not fall into a complete legal vacuum simply because their employment status is uncertain.

E. Portable social security

Gig workers may move between platforms or work for several platforms at the same time. Social security protection should therefore be portable.

Instead of linking benefits exclusively to one employer, a system could allow contributions from multiple platforms to follow the individual worker.

The Code on Social Security already provides a foundation for registering gig and platform workers and creating social security schemes. Effective implementation of these provisions is therefore essential.

F. Regulation of deactivation

Permanent deactivation should be subject to basic procedural safeguards.

A worker should generally receive:

1. information about the reason for the proposed deactivation
2. an opportunity to respond
3. human review where the decision is based on an automated system
4. a reasonable appeal mechanism.

This does not mean that platforms should be prevented from immediately suspending workers where there is a genuine safety concern. It means that long-term loss of access to work should not occur without a fair process.

G. Transparency in algorithmic management

Platforms should disclose the basic principles by which algorithms determine work allocation, ratings, incentives and deactivation.

Complete disclosure of commercially sensitive algorithms may not be necessary. However, workers should know the factors that materially affect their earnings and continued access to work.

This would also make it easier for courts and labour authorities to determine whether a platform exercises significant control over workers.

H. Collective representation

Individual gig workers generally have limited bargaining power when negotiating with large digital platforms.

Legal mechanisms should therefore allow workers to organise and collectively represent their interests.

Collective representation could address matters such as remuneration, safety, working conditions, insurance, deactivation and changes to platform policies.

I. Shared responsibility of platforms

The responsibility imposed upon a platform should correspond to the degree of control it exercises.

A platform that merely provides an online marketplace should not necessarily have the same obligations as a platform that determines prices, allocates work, controls customer relationships, monitors performance and can deactivate workers.

A system based on graduated responsibility would therefore be more appropriate than treating every digital platform in exactly the same way.

J. Effective implementation of existing law

Finally, new legislation is not the only requirement. Existing provisions must also be implemented effectively.

The Code on Social Security, 2020 already recognises gig and platform workers and provides a framework for social security schemes. The challenge is to ensure that registration,

contributions, benefits and grievance mechanisms actually reach the workers for whom the legislation was intended.

The legal framework should therefore focus not only on creating rights but also on making those rights accessible.

VI. CONCLUSION WITH MAJOR FINDINGS

The rise of the gig economy has created a significant challenge for traditional labour law. The difficulty does not arise simply because gig workers perform different types of work. It arises because the relationship between the worker and the platform does not fit neatly into the traditional categories of employee and independent contractor.

The major finding of this paper is that contractual classification alone cannot provide a satisfactory answer to the question of employment status. A worker may be described as an independent contractor while remaining subject to substantial economic and technological control.

The second major finding is that the traditional tests developed by Indian courts remain useful but need to be adapted to the digital workplace. The control test, the integration test and the economic dependence approach should be applied together. Control should also include algorithmic control exercised through applications and automated systems.

The third finding is that the Code on Social Security, 2020 represents an important step because it formally recognises gig and platform workers. However, recognition by itself is not enough. Effective implementation of social security schemes and clearer mechanisms for determining employment status are necessary.

The fourth finding is that workers should not be left without protection simply because their status is difficult to determine. Certain basic rights relating to social security, accident protection, fair payment, safety, algorithmic transparency and grievance redressal should be available to gig workers irrespective of their final classification.

The solution is therefore not to treat every gig worker as a traditional employee or, at the other extreme, to treat every worker as an independent contractor. A more suitable approach is to examine the actual economic and functional relationship between the worker and the platform.

The gig economy is likely to remain an important part of the modern labour market. Labour law must therefore adapt to the way work is actually organised today. The central principle should be simple: the legal status of a worker should depend on the reality of the working relationship, not merely on the label given to it in a contract.