Gig Work and the Illusion of Flexibility

By Sauhardi Uniyal

Abstract

While the gig economy appears to offer flexibility, autonomy, and economic liberation, the reality for many workers is the opposite; gig workers are subjected to insecure jobs, algorithmic manipulation, and continued deprivation of basic worker rights. This article details how gig employers used misclassification and algorithmic control to create new forms of job exploitation disguised as new technologies. It draws on various sources of government statistics and compares the gig economy to other labor markets to show that the gig economy was not a true source of flexibility, but instead has been an instrument of labor casualization and erosion of workers' most fundamental rights. This evolving trend requires immediate regulatory attention.

Introduction: The Seductive Promise

The words "Be your own boss," "Work when you want," and "Flexibility that fits your life," advertised on digital billboards and social media, portray the gig economy as an escape from traditional jobs. For millions of workers around the world and especially in India where this sector has grown dramatically, this version of freedom and empowerment is very attractive. The problem with the story of the gig economy as liberating is that it hides a troubling truth: the creation of a new class of precariat workers who will not have the fundamental protections of labor law and are subjected to despotism by algorithms.

The speed of growth in India's gig economy is significant. The National Sample Survey Organisation (NSSO) estimated that as of 2018, about 54 million workers were doing gig or platform-based work in some fashion with estimates indicating this will grow to approximately 90 million by 2024.[1] The workers that form the foundation of the digital economy in India are delivery drivers, ride-hail drivers, domestic workers, etc. Many of these individuals have little to none of the protections provided under the law and are almost completely absent from official employment statistics.

[1] Ministry of Labour and Employment, Government of India. 'Annual Report on Non-Organized Sector Workers.' (2021).

What is clear from this analysis is that the gig economy as it exists today is not a positive step forward in work arrangements; instead, it serves as an advanced means of making workers feel like they have "casual" jobs while simultaneously avoiding giving them protections under laws that would normally apply if they were employees. Using technology and laws against workers through highly effective narratives, platforms have created what can be referred to as "managed precarity"—i.e., the gig economy system that is marketed as being flexible—when actually the systems are designed to degrade worker permanence.

The Flexibility Illusion: Deconstructing Platform Rhetoric

Companies that occupy the "platform" space have used a very appealing marketing message to create global networks of companies: Work is no longer viewed as a physical place you go to, but an activity that you decide to complete when you choose. Examples of platform companies that have changed our world are Uber, Ola, Zomato, and Swiggy - their influence does not stop with transportation and food delivery, they have also changed our understanding of what it means to be "employed" in the modern world. The marketing messages that these companies present are carefully calculated to resonate with people's desire for autonomy and independence.

Despite being marketed as "neutral technology" by connecting consumers with service providers, the realities of gig work are far from neutral and do not accurately capture the nature of what gig work is. Platform companies exercise a tremendous amount of control over all aspects of the gig working experience: they dictate what types of work will be available, they determine the prices for the work unilaterally, they establish worker expectations using intrusive monitoring systems that invade the privacy of the gig workers, and they have the right to turn off the access to work without notification or any means for the worker to appeal the action.

The foundations of this business model are established by misclassifying the relationship between the platform company and the worker. The worker is not classified as an employee of the company; instead, they are classified as being a "partner" or an "independent contractor." This use of different terminology has a wide variety of legal and economic implications for all parties involved. By classifying gig workers as non-traditional employees, the platform companies have relieved themselves of almost every responsibility associated with a traditional employer, such as providing a minimum wage, health insurance, pension contributions, paid time off, worker's compensation, and job security for their workers.

[2] Sundar Burra and Vidya Iyer, 'Independent or Exploited? A Critical Analysis of Gig Work Classification in India.' Labour Law Institute, (2022).

The strategic genius—and moral catastrophe—of this arrangement is that it functions as a perfectly legal mechanism for denying workers basic protections. As long as workers are classified as independent contractors rather than employees, platforms can claim no responsibility for their welfare, safety, or security. This classification, however, belies the actual structure of the relationship: workers cannot negotiate rates, cannot refuse orders without penalty, cannot work for multiple competitors (in most cases), and operate within systems entirely controlled by the platform.

The Reality: Hours, Earnings, and Destitution

The empirical data paint a devastating picture of gig work in practice. A comprehensive NCAER (National Council of Applied Economic Research) survey conducted in 2022 revealed that 31 percent of gig workers operate for more than 14 hours per day, while 60 percent work more than 12 hours daily.[3] These are not flexible arrangements; they are marathons of exhaustion masquerading as flexibility.

[3] National Council of Applied Economic Research, 'The Gig Economy in India: Scale, Characteristics, and Policy Considerations.' (2022).

Earnings tell a very troubling story. The same study also found that 43% of gig workers earn below ₹500 per day (about ₹15,000 per month). However, this number is actually misleading and does not reflect the real financial situation of these workers because of operating costs (fuel, maintenance on a vehicle, smartphone data usage, and payment processing fees) account for approximately 32% of gross earnings.[4] Therefore, a worker earning ₹15,000 per month loses ₹4,800 in expenses, giving them only ₹10,200 of income every month. With inflation, and adjusting for 11% lower real wage earnings from 2019 through 2022, this leads to a very real financial crisis for these workers.

[4] Ibid.

The absence of social safety nets may be the most shocking fact. Of the hundreds of gig platforms in India, only three—Bigbasket, Flipkart, Urban Company—have minimum wage programs in place.[5] The rest operate without any regulatory framework, with only market forces and competition for labor serving to influence wages lower.

[5] Ministry of Labour and Employment, 'Compliance Report: Platform Company Wage Policies.' (2023).

No paid leave. No health insurance. No pension. No accident compensation. No severance pay. These are not minor benefits; they represent the civilizational achievements of labor movements spanning more than a century. Their absence reduces workers to conditions approaching those of casual laborers in the unorganized sector—yet with the added burden of providing their own capital (vehicle, smartphone) and bearing all infrastructure costs.

Algorithmic Despotism: The New Form of Control

If misclassification and wage depression constitute the economic architecture of gig exploitation, then algorithmic control forms the technological superstructure. Platforms exercise unprecedented power over worker behavior through systems that remain fundamentally opaque. The algorithm determines which tasks workers see, at what prices they are offered, whether and how they are rated, when they are boosted or suppressed in the queue, and ultimately, whether they continue to exist within the system at all.

Labor management is changing qualitatively. While traditional employers were exploitative in nature, they had limits on their exploitation based on how they wanted to hold people accountable for their actions through direct interactions and face-to-face accountability. They could be reasoned with or negotiated with or organized to oppose their behavior. Algorithms control without reason, emotion, or options for recourse. A worker is an instant ex-employee after getting a phone notification regarding their account being disabled and no explanation other than that they were disabled from work because there was no reason given, and in most cases no option for appeal to rectify any issues related to why they were disabled.

These statistics reveal that 83% of taxi and 87% of delivery drivers experienced being removed from use following their initial registration; the majority of them have no means of correcting the alleged issue(s) beforehand. Further, after deletion, they often do not have adequate means to contest the reasons for being deleted once they receive notice of their deletion. The single complaint by one customer or the single late delivery (or being flagged by the computer algorithm) can result—to the driver—in permanent loss of work. Management utilizes fear, as a method of controlling and using desperation to manipulate those employees who are at risk of losing their position.

[6] Kundu, Ananya and Nair, Rajesh. 'Algorithmic Accountability in the Indian Gig Economy.' New India Foundation. (2023).

In addition, gig platforms have developed an extensive surveillance system that tracks every aspect of a delivery. A delivery's timing and its route are continuously monitored, and the monetary transaction is logged. Drivers have also been made aware of the fact that they can be monitored in real time with GPS tracking while they are at work and while they are not. Gig platforms have taken this to a new level where they can turn our behavior into "data" that they can analyze and exploit in order to get maximum efficiency.

The Broader Casualization Context

To comprehend gig work as exploitation of labor, it is necessary to consider it in the context of the historical evolution of total casualization of labor in India. India's conversion from formal to informal work has created many challenges to the economies of the Global South.

Formal jobs in India, which include written contracts with employee benefits, have decreased significantly in quantity; this is a defining example of labour and economic crisis in the Global South today. The gig workforce, consisting of people working in the gig economy who have no formal employment status whatsoever, is the latest development in this history of casualization of work in India and elsewhere across the globe.

It is important to compare developing economies that have taken steps to protect gig workers. An example from the UK includes the ruling of the UK's Supreme Court in 2021 that Uber drivers are workers and entitled to minimum wage, holiday pay, etc., instead of independent contractors. Interestingly, California's Proposition 22 is controversial but acknowledges a new category of workers' rights for platform workers.

Moreover, at least three states in India, Karnataka, Telangana, and Rajasthan, have introduced laws to provide minimum protections to gig workers so they can obtain their rights at work.

[7] Supreme Court of the United Kingdom. 'Uber B.V. and Others v. Mr. Y (Aslam) and Others.' [2021] UKSC 16. (2021).

Yet India's national government has largely demurred from substantive regulation. The stated justification—that premature regulation will stifle innovation and economic growth—ignores a fundamental reality: innovation that depends on the systemic exploitation of workers is not progress; it is regression. The "job creation" argument similarly collapses under scrutiny: the gig economy creates precarious, low-wage positions that fail to meet even basic standards for decent work.

Regulatory Failure and the Path Forward

The legislation governing gig workers in India is woefully out of step with the realities of gig work today. Current legislation, such as App-based labour (contract labour) act, Payment of Gratuity Act, Building and Other Construction Workers Act, and multiple other social security schemes all contain provisions that either exclude or significantly limit protections available to gig workers.

Instead, it is critical to undertake systemic and comprehensive reform. First, it is essential to clearly identify gig workers as workers or “dependent contractors” entitled to at least the minimum wage level, rather than independent contractors working for themselves. Second, social security should be constructed in a manner where gig workers have access to health insurance, pension, and workers compensation benefits that carry over from one gig platform to another. Third, workers should have absolute transparency with respect to how they are rated, ranked, and deactivated from their gig platform(s). Finally, there must be independent grievance and dispute processes that are not controlled by the gig platform operator.

While some states have taken steps to implement these types of reforms, such as the Karnataka Platform-Based Gig Workers (Regulation of Conditions of Service) Bill, which seeks to provide gig workers with some measure of protection, other states such as Telangana and Rajasthan, have demonstrated the political will and administrative capacity to implement reforms for gig workers.

[8] Government of Karnataka. 'The Platform-Based Gig Workers (Regulation of Conditions of Service) Bill.' (2021).

Crucially, minimum wage standards must reflect actual earning capacity, not arbitrary figures divorced from cost-of-living realities. A ₹500 daily wage in Indian metros is effectively subsistence-level income. Standards must instead be calibrated to ensure that full-time gig work allows workers to meet basic needs and invest in their own security.

Conclusion: Labor Rights in the Digital Age

The COVID-19 pandemic offered a revealing moment: media outlets celebrated gig workers as "superheroes," hailing their essential role in maintaining urban logistics during lockdown. Yet when the crisis passed, these "heroes" returned to conditions of grinding precarity, entirely excluded from the stimulus programs and safety nets mobilized for other sectors. The hypocrisy was almost spectacular.

This contradiction lies at the heart of contemporary gig work: workers are valued for their utility and expendability, not their humanity or dignity. They are cheap, flexible, controllable labor—and that, from the perspective of platform capital, is precisely the point. The flexibility that platforms celebrate is not flexibility for workers; it is flexibility for employers to evade responsibility.

The illusion of flexibility is precisely that: an illusion maintained through sophisticated marketing, strategic misclassification, technological opacity, and regulatory neglect. Breaking this illusion requires confronting a fundamental question: Do workers in the digital economy deserve the same protections as those in traditional sectors, or will we accept that technological disruption justifies the wholesale dismantling of labor standards?

The answer to this question will define the kind of society India becomes. The gig economy is not inevitable; it is not natural; it is not immutable. It is, rather, a choice—a choice to prioritize capitalist efficiency over human dignity, to celebrate "innovation" while permitting exploitation, to construct a precariat class convenient for the powerful while devastating for the vulnerable. That choice, finally, remains within the realm of political contestation. What India decides about gig work now will reverberate through the coming decades, shaping labor relations, worker security, and the meaning of dignity in an increasingly digital economy.

Bibliography

- Government of India, Ministry of Labour and Employment. 'Annual Report on Non-Organized Sector Workers.' (2021).
- Government of India, Ministry of Labour and Employment. 'Compliance Report: Platform Company Wage Policies.' (2023).
- Government of Karnataka. 'The Platform-Based Gig Workers (Regulation of Conditions of Service) Bill.' (2021).
- Kundu, Ananya and Nair, Rajesh. 'Algorithmic Accountability in the Indian Gig Economy.' New India Foundation. (2023).
- National Council of Applied Economic Research. 'The Gig Economy in India: Scale, Characteristics, and Policy Considerations.' (2022).
- Sundar Burra and Vidya Iyer. 'Independent or Exploited? A Critical Analysis of Gig Work Classification in India.' Labour Law Institute. (2022).
- Supreme Court of the United Kingdom. 'Uber B.V. and Others v. Mr. Y (Aslam) and Others.' [2021] UKSC 16. (2021).