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Algorithmic Termination of Platform Gig Workers and the Constitutional Case for a Right to Reasoned Decision-Making in India

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Algorithmic Termination of Platform Gig Workers and the Constitutional Case for a Right to Reasoned Decision-Making in India

ABSTRACT

*The Indian platform economy engages an estimated 7.7 million gig workers, a figure the NITI Aayog projects will reach 23.5 million by 2029-30. Managerial functions once performed by human supervisors – allocation, evaluation, discipline, and termination – have migrated to algorithmic systems. Termination is the most consequential: a worker whose account is deactivated by an automated calculation loses her livelihood instantaneously, without notice, reasons, or a hearing. This article examines India's legal response to that phenomenon. The research problem is the mismatch between a constitutional order that guarantees procedural fairness in every decision affecting livelihood and a regulatory landscape that permits private aggregators to terminate work relationships by code. The article maps the phenomenon of algorithmic deactivation, evaluates the present Indian statutory and judicial framework, draws comparative lessons from the United Kingdom, the European Union, Spain, and California, and proposes specific reforms. The methodology is doctrinal-analytical, supplemented by comparative analysis, and tested against the natural justice standard in *Maneka Gandhi v. Union of India*. The article finds a Union-level statutory vacuum, an emerging but geographically confined State response led by the Karnataka Platform Based Gig Workers Bill, 2025, and a judicial landscape in transition following the Karnataka High Court's engagement with platform employment in *Ms. X v. ANI Technologies*. On that basis it recommends six reforms, centred on a procedural rights provision in the Code on Social Security, 2020, an algorithmic transparency obligation under the Information Technology Rules, 2021, and a dedicated Central Digital Labour Grievance Tribunal empowered to order interim reactivation.*

KEYWORDS

Algorithmic management, Deactivation, Gig workers, Natural justice, Platform economy.

INTRODUCTION

On any given evening in Bengaluru, a delivery rider logs into his platform application to find his account “temporarily restricted.” No email precedes the block; no officer signs it; no reason accompanies it

beyond a line about an “integrity score” or “customer feedback.” His income stops that instant, and whether he is restored later or never depends on a system he cannot see, run by a company that insists he is not its employee. This is not an isolated grievance but a common experience of the workforce the NITI Aayog projects will grow from 7.7 million in 2020-21 to 23.5 million by 2029-30, some 4.1 per cent of India’s total livelihood base.¹

This phenomenon emerged from three interlocking developments: the platformization of everyday services, the shift from human to algorithmic management, and the reluctance of the Indian legislature to recognise the platform worker as a “workman” under the Industrial Disputes Act, 1947. The Code on Social Security, 2020 for the first time defined “gig worker”² and “platform worker”³ in statute, but confined itself to welfare schemes and left untouched the fundamental question of procedural fairness in day-to-day platform decisions. A worker can thus lose his livelihood by algorithm without notice, without reasons, and without a hearing: the very trinity that *Maneka Gandhi v. Union of India*⁴ declared indispensable to any procedure touching life or personal liberty.

Existing scholarship has focused on the classification debate and social security entitlements. The procedural dimension of algorithmic termination – the absence of a reasoned order, the opacity of automated scoring, and the unavailability of meaningful review – has received far less attention. Yet it is precisely this dimension that the Rajasthan Act, 2023 and, more ambitiously, the Karnataka Bill, 2025 have begun to address.

This article accordingly pursues four objectives: to map the phenomenon of algorithmic deactivation; to examine the adequacy of the present statutory and judicial framework; to draw on comparative developments in the United Kingdom, the European Union, and the United States; and to propose legislative and policy reforms rooted in constitutional principle.

LITERATURE REVIEW

Scholarship on India’s platform economy has developed along three broad axes, none of which fully engages the procedural question this article addresses.

¹ NITI Aayog, *India’s Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work* (NITI Aayog 2022) 8.

² The Code on Social Security, 2020 (Act 36 of 2020), s. 2(35).

³ The Code on Social Security, 2020 (Act 36 of 2020), s. 2(61).

⁴ *Maneka Gandhi v. Union of India*, AIR 1978 SC 597.

The first cluster is classification scholarship, which asks whether platform workers are employees, independent contractors, or a third intermediate category. Jeremias Prassl's *Humans as a Service* argues that platform architecture functionally replicates the employer's powers of direction and control while formally disclaiming them.⁵ Rahul Suresh Sapkal's work on the gig economy applies the control test of *Workmen of Nilgiri Cooperative Marketing Society v. State of Tamil Nadu* to Indian aggregators and argues for legislative recognition.⁶ The debate is largely theoretical, treating classification as the primary question and leaving procedural rights downstream.

The second cluster is social security scholarship, which examines the welfare architecture of the Code on Social Security, 2020, the Rajasthan Act of 2023, and comparable State initiatives. Aditi Surie's ethnographic work and the edited volume *Platformization and Informality* situate these debates within the broader informalisation of Indian work.⁷ The Fairwork India project at IIIT-Bangalore offers the most sustained empirical account, rating major platforms annually against five principles including "fair management", a proxy for procedural fairness that consistently returns low scores across the sector.⁸

The third cluster is comparative and international scholarship, drawing on European and Anglo-American developments to press for Indian reform. It has begun to treat algorithmic management as a distinct regulatory object, particularly after the European Union's Platform Work Directive of 2024.⁹

Across all three, the specific question of procedural due process in algorithmic deactivation — the absence of notice, reasons, and a hearing — remains largely unexamined in Indian legal scholarship. This article seeks to fill that gap.

RESEARCH METHODOLOGY

Research Design: This study is doctrinal-analytical with a comparative overlay. The doctrinal component examines Indian statutes, subordinate legislation, judicial pronouncements, and official reports to reconstruct

⁵ Jeremias Prassl, *Humans as a Service: The Promise and Perils of Work in the Gig Economy* (Oxford University Press 2018) 51-54.

⁶ *Workmen of Nilgiri Cooperative Marketing Society Ltd. v. State of Tamil Nadu*, (2004) 3 SCC 514.

⁷ Aditi Surie and Ursula Huws (eds.), *Platformization and Informality: Pathways of Change, Alteration, and Transformation* (Palgrave Macmillan 2023).

⁸ Fairwork India, *Fairwork India Ratings 2024: Labour Standards in the Platform Economy* (Centre for Information Technology and Public Policy, IIIT-Bangalore 2024) 8-12.

⁹ Council Directive (EU) 2024/2831 of 23 October 2024 on improving working conditions in platform work, OJ L, 11 November 2024.

the present position on algorithmic termination; the comparative overlay draws on the United Kingdom, the European Union, Spain, and California to situate that position within global regulatory practice.

Sources of Data: Primary sources are the Code on Social Security, 2020, the Industrial Disputes Act, 1947, the Rajasthan Act, 2023, the Karnataka Bill, 2025, the Information Technology Rules, 2021, and the Digital Personal Data Protection Act, 2023, with decisions of the Supreme Court, the Karnataka High Court, and the UK Supreme Court. Secondary sources include reports of NITI Aayog, the ILO, and the Fairwork India project.

Scope: The study is confined to platform-based gig workers in ride-hailing, food and grocery delivery, and hyperlocal services; it does not examine white-collar freelancing platforms.

Limitations. The article relies on secondary empirical data; no primary survey of affected workers was undertaken.

Analytical Framework: The adequacy of the present regime is tested against the three-limb natural justice standard in *Maneka Gandhi v. Union of India*: that any procedure affecting livelihood be just, fair, and reasonable; furnish notice and reasons; and afford a hearing.

DISCUSSION AND ANALYSIS

Part A: The Phenomenon of Algorithmic Deactivation

Algorithmic deactivation refers to the practice by which a platform aggregator suspends or terminates a worker's access to its application on the basis of automated calculations – customer ratings, acceptance and cancellation rates, “integrity scores”, or composite indices whose components the worker is not told. The decision is generated by software, communicated by a notification, and usually unaccompanied by reasons or any appeal to a human decision-maker.

The scale of the practice is substantial and largely undocumented. The Fairwork India project has consistently found that most Indian aggregators score zero or one of a possible two on procedural fairness, indicating that neither notice, nor reasons, nor an accessible appeal is in place across the sector.¹⁰ Media accounts of Zomato and Swiggy riders, Ola and Uber drivers, and Urban Company professionals losing their accounts overnight – sometimes for weeks, sometimes permanently – recur with a frequency suggesting systemic practice rather than isolated error.¹¹ For a worker whose monthly income depends on continued

¹⁰ Fairwork India, *supra* note 8.

¹¹ Aihik Sur, “Gig workers protest arbitrary ID blocks by food delivery platforms”, *The Hindu*, 15 April 2024; see also Fairwork India, *supra* note 8, at 14.

platform access, a deactivation is functionally equivalent to dismissal – yet the absence of the legal label deprives that worker of the procedural protections Indian labour law has developed over seven decades to constrain dismissals.

Part B: The Union Statutory Vacuum

At the Union level, no statute presently regulates algorithmic termination. Four instruments occupy the field and each falls short.

The Industrial Disputes Act, 1947 is the principal protection against arbitrary termination in Indian labour law. Section 25F imposes notice, compensation, and reasons as preconditions to retrenchment, and section 2A permits an aggrieved workman to invoke conciliation and adjudication. These protections extend only to a “workman” under section 2(s) – a category the Supreme Court has construed by a control test that platform workers, on the prevailing reading of the aggregator’s terms of service, are said not to satisfy.¹² The result is that the entire retrenchment architecture of Indian labour law is inapplicable to the very workers most exposed to algorithmic termination.

The Code on Social Security, 2020 was the first Indian statute to define “gig worker” and “platform worker” in sections 2(35) and 2(61) respectively, and Chapter IX contemplates welfare schemes for such workers.¹³ The Code is, however, exclusively welfare-oriented: it contains no procedural rights against deactivation, no requirement of notice or reasons, and no grievance mechanism directed at platform decisions. Much of it, including Chapter IX, remains unnotified in most States, so even its limited promise is unrealised.

The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, though frequently invoked on aggregator liability, are silent on the labour dimension of platform operation, regulating content and grievance redressal for users, not workers. The Consumer Protection (E-Commerce) Rules, 2020 likewise treat riders and drivers as service providers rather than workers with rights against the platform.

The consequence is a Union-level vacuum. A platform worker in India today has no statutory right to notice, reasons, or a hearing before a human reviewer prior to deactivation. The Union framework has recognised her existence but not her livelihood security.

¹² *Workmen of Nilgiri Cooperative Marketing Society Ltd.*, *supra* note 6.

¹³ The Code on Social Security, 2020 (Act 36 of 2020), ss. 2(35), 2(61), 113-114.

Part C: State-Level Intervention

Two States have moved to fill this vacuum. Their responses are instructive both for what they achieve and for their limits.

The Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023 was the first Indian statute directed specifically at platform workers.¹⁴ It establishes a Welfare Board, a Welfare Fund financed by an aggregator-borne welfare fee, and a two-tier grievance mechanism. Its ambition, however, is welfare, not procedural fairness: it does not require notice or reasons before deactivation, does not regulate the design of algorithmic monitoring, and confers no right to human review of an automated decision.

The Karnataka Platform Based Gig Workers (Social Security and Welfare) Bill, 2025, introduced in the Karnataka Legislative Assembly on 12 August 2025 to replace an ordinance promulgated earlier that year, goes considerably further.¹⁵ Three provisions are significant. It requires aggregators to give a worker not less than fourteen days' prior notice, with a valid reason, before terminating the engagement; it imposes a duty of transparency over automated monitoring, requiring disclosure of the parameters governing rating, allocation, and deactivation; and it establishes an internal dispute resolution committee and an appeal before the Welfare Board. Together, these represent the first Indian legislative attempt to subject algorithmic termination to due process.

The limits of the Karnataka model are structural. It binds only aggregators operating within Karnataka; a worker deactivated in Bengaluru enjoys protections that one deactivated in Chennai or Kolkata does not. The transparency obligation is also thinly specified, silent on the granularity at which parameters must be disclosed and prescribing no audit to verify that the reasons furnished match the algorithmic decision made. Karnataka has opened the door; the Union has not yet walked through it.

Part D: Judicial Developments

Indian courts have not yet ruled directly on algorithmic termination of platform workers. Judicial engagement with the platform economy has instead proceeded obliquely, through cases on sexual harassment liability, social security recognition, and the definitional status of the worker. These decisions, though not squarely on point, illuminate the doctrinal terrain on which a future challenge to algorithmic deactivation will be fought.

¹⁴ The Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023.

¹⁵ The Karnataka Platform Based Gig Workers (Social Security and Welfare) Bill, 2025 (introduced in the Karnataka Legislative Assembly on 12 August 2025).

The most significant recent decision is *Ms. X v. Internal Complaints Committee, ANI Technologies Pvt. Ltd.*, decided by a single judge of the Karnataka High Court on 30 September 2024.¹⁶ The petitioner, a passenger sexually harassed by an Ola driver, invoked the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 against the aggregator, which resisted on the ground that its drivers were independent contractors. Examining the subscription agreement, the Court found that Ola retained comprehensive control: it set fares, processed payments, determined commissions, managed disputes, and administered the rating system governing driver access. It therefore held the driver an employee of Ola for POSH Act purposes and directed compensation. The reasoning matters beyond its context: it applied a functional control test to platform architecture and refused to be bound by the contractual label.

The judgment was, however, stayed by a Division Bench of the same Court on 4 October 2024 in *ANI Technologies Pvt. Ltd. v. Ms. X*.¹⁷ The Bench observed that the issues required further consideration, and the appeal remains pending. The stay is consequential — the single judge’s reasoning no longer binds other benches — but it does not erase the framework introduced, which, if adopted more broadly, would strip aggregators of the classificatory shield they rely upon to insulate deactivation from judicial review.

A second strand of pending litigation is *Indian Federation of App-Based Transport Workers v. Union of India*, filed in the Supreme Court in 2021.¹⁸ The petition seeks recognition of gig workers as unorganised workers entitled to social security under the Code on Social Security, 2020 and the Unorganised Workers’ Social Security Act, 2008. Though it does not directly attack algorithmic termination, a favourable ruling would supply the definitional footing on which procedural challenges could be built.

The constitutional peg for such a challenge is well-established. In *Maneka Gandhi v. Union of India*, the Supreme Court held that any procedure affecting a person’s livelihood must be just, fair and reasonable, and satisfy the twin requirements of notice and hearing.¹⁹ *Automotive Tyre Manufacturers Association v. Designated Authority* reinforced this, holding that even quasi-judicial administrative determinations must be preceded

¹⁶ *Ms. X v. Internal Complaints Committee, ANI Technologies Pvt. Ltd.*, W.P. No. 8127 of 2019 (Karnataka High Court, decided 30 September 2024).

¹⁷ *ANI Technologies Pvt. Ltd. v. Ms. X*, W.A. No. 1493 of 2024 (Karnataka High Court, order dated 4 October 2024).

¹⁸ *Indian Federation of App-Based Transport Workers v. Union of India*, W.P. (C) No. 1068 of 2021 (Supreme Court of India, pending).

¹⁹ *Maneka Gandhi*, *supra* note 4.

by a hearing and supported by recorded reasons.²⁰ The difficulty is that these decisions have applied to State action; extending them to private platform operators requires the horizontal reasoning tentatively embraced in *Kaushal Kishor v. State of Uttar Pradesh*, where a Constitution Bench recognised, cautiously, that fundamental rights may bind non-State actors in certain circumstances.²¹

Read together, these developments disclose a landscape in transition. The classification question is unsettled but no longer closed, and the constitutional grammar for a procedural challenge exists. What is missing is a single judgment connecting the two — one that treats algorithmic deactivation as an administrative act affecting livelihood and subjects it, on that footing, to the discipline of natural justice.

Part E: Comparative Practice

Foreign jurisdictions offer three regulatory templates. The United Kingdom has proceeded by judicial reclassification. In *Uber BV v. Aslam*, the Supreme Court held Uber drivers to be “workers” within section 230(3)(b) of the Employment Rights Act 1996, emphasising Uber’s control over fares, terms, and platform access.²² The European Union has proceeded by directive. The Platform Work Directive of 2024 introduces a rebuttable presumption of employment where indicia of control are present, and articles 7 to 10 impose obligations on algorithmic management — a right to human oversight, a right to explanation of significant decisions, and limits on processing certain worker data.²³ Spain’s Ley Rider of 2021 goes further, presuming an employment relationship for delivery riders and requiring platforms to disclose algorithmic parameters to workers’ representatives.²⁴ California is a cautionary counterpoint: Assembly Bill 5 codified an “ABC test” for employee status, but Proposition 22, upheld by the Californian Supreme Court in 2024, carved app-based drivers out of it.²⁵ The lesson is that a purely classificatory approach is politically fragile, while a rights-based approach grounded in transparency has proved more durable.

Part F: Critical Evaluation

Three failures characterise the present regime. First, a definitional gap: the “gig worker” of the Code on Social Security and the “workman” of the Industrial Disputes Act do not communicate, so a worker recognised for welfare purposes remains unrecognised for procedural ones. Second, a procedural vacuum at the Union level, leaving natural justice without

²⁰*Automotive Tyre Manufacturers Association v. Designated Authority*, (2011) 2 SCC 258.

²¹*Kaushal Kishor v. State of Uttar Pradesh*, (2023) 4 SCC 1.

²²*Uber BV v. Aslam*, [2021] UKSC 5.

²³Council Directive (EU) 2024/2831, *supra* note 9, arts. 5, 7-10.

²⁴Real Decreto-ley 9/2021, de 11 de mayo (Spain), commonly known as the Ley Rider.

²⁵*Castellanos v. State of California*, 17 Cal. 5th 1 (2024).

statutory expression here. Third, even where State law requires reasons – as in Karnataka – the underlying algorithmic decision remains a black box, so a “valid reason” cannot be tested against the calculation that produced it. Reasons without transparency are a hollow protection.

FINDINGS

The study returns five findings. First, algorithmic deactivation is a systemic feature of Indian platform work, not an aberration. Second, Union labour and technology legislation contains no procedural safeguards against it. Third, the Rajasthan Act, 2023 and the Karnataka Bill, 2025 mark the beginnings of a State-led response, Karnataka advancing much further on procedural fairness. Fourth, Indian judicial engagement has proceeded obliquely, with no decision squarely on algorithmic termination. Fifth, comparative practice – particularly the European Union Directive of 2024 – offers a mature template combining classification, transparency, and human oversight.

RECOMMENDATIONS

Six reforms are proposed. First, a new section 114A of the Code on Social Security, 2020 should guarantee every platform worker fourteen days’ notice, written reasons, and a hearing before deactivation. Second, a Rule 4A under the Information Technology Rules, 2021 should require platforms engaging gig workers to publish annual algorithmic impact assessments. Third, the Digital Personal Data Protection Act, 2023 should be read, or amended, to bring algorithmically generated worker scores within the right to correction under section 12.²⁶ Fourth, a Central Digital Labour Grievance Tribunal should be constituted under Article 323B, empowered to grant interim reactivation pending adjudication. Fifth, a rebuttable statutory presumption of employment should be introduced, defeasible on the *Ready Mixed Concrete* control test.²⁷ Sixth, Chapter IX of the Code on Social Security should be notified across all States within six months.

CONCLUSION

The rider whose account was blocked on a Bengaluru evening is not asking for permanent employment. He is asking for a reason. That modest constitutional demand – that no procedure affecting livelihood operate without notice, reasons, and hearing – has anchored Indian administrative law since *Maneka Gandhi*. The platform economy has for a decade operated outside its reach. The Rajasthan Act, the Karnataka Bill,

²⁶ The Digital Personal Data Protection Act, 2023 (Act 22 of 2023), s. 12.

²⁷ *Ready Mixed Concrete (South East) Ltd. v. Minister of Pensions and National Insurance*, [1968] 2 QB 497.

the Ola litigation, and the pending petition of the Indian Federation of App-Based Transport Workers together suggest the exemption is closing. Whether it closes through statute, judicial reclassification, or a hybrid will shape the working lives of tens of millions. The task of scholarship is to insist that when it closes, it closes on constitutional principle rather than administrative convenience.