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Algorithmic Management and the Right to Fair Work: Rethinking Legal Protection for Platform-Based Gig Workers in India

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Algorithmic Management and the Right to Fair Work: Rethinking Legal Protection for Platform-Based Gig Workers in India

ABSTRACT

The platform economy in India has transformed the structures of managerial authority. Tasks assigned to drivers, delivery personnel, and other gig workers based on platforms have increasingly come to be managed through data-driven systems in terms of assessment, incentivization, monitoring, suspension and, in some cases, deactivation of their accounts. Despite the fact that Indian labour regulations historically viewed gig work from the point of view of the issues of welfare and social security, this paper explores whether the same legal approach is appropriate when an algorithm undertakes the role of a manager. It argues that the key issue of regulation concerns not only the question of employment status but the question of procedurally sound livelihood-affecting automated or algorithmic decision-making as well. Based on the doctrinal, comparative and secondary empirical approach, the paper analyses the following legislative documents: The Code on Social Security, 2020 and the Social Security (Central) Rules, 2026; The Digital Personal Data Protection Act, 2023 and the 2025 Rules; The Rajasthan Platform-Based Gig Workers (Registration and Welfare) Act, 2023; The Karnataka Platform-Based Gig Workers (Social Security and Welfare) Act, 2025 and the 2025 Rules; constitutional jurisprudence concerning livelihood, dignity, privacy and fair procedure; Directive (EU) 2024/2831 on platform work. The paper outlines an important regulatory lacuna within the present-day system of governance, namely, whereas India has acknowledged gig workers for social security benefits and Karnataka has regulated automated monitoring and decision-making in its legislation, there is no coherent, non-status-based package of rights to intelligible information, justification, human intervention, and contestation of high-stakes decisions made by algorithms under national law. It proposes an "Algorithmic Fair Work" model including intelligible notice, specific decision justification, human redecision, proportional data use, impact assessment, external audit, and workers' consultation. The key idea is that managers cannot escape their responsibility just because they manage via code.

KEYWORDS

Algorithmic Management; Gig Workers; Platform Economy; Procedural Fairness; Workers' Rights

INTRODUCTION

The platform economy has often been described as a transaction between a service provider and the platform itself, mediated through technology. The description is misleading. The platform has the say in who will be given a job, how pay will be calculated, whether the incentive has been achieved, how client reviews affect future prospects, which behaviors are regarded as suspicious, and whether workers will have continued access to the platform. According to the International Labor Organization (ILO), algorithmic management is defined as the use of computerized procedures in controlling the labor process, while academic research on platform labor explains how digitally-mediated systems reduce worker autonomy despite lack of direct supervision.[1]

The regulatory significance is quite significant. According to an estimate by NITI Aayog, there were 7.7 million gig workers in India between 2020-21, and the figure was expected to rise to 23.5 million by 2029-30, but the figure is indicative, as the data is quite deficient.[2] However, what needs to be examined is whether sufficient safeguards are provided under Indian law in light of those technologies which significantly impact the ability to earn a living by such workers. The Indian legislative system has progressed at an unparalleled pace. The Code on Social Security, 2020 (the "Social Security Code") has been enforced from 21 November 2025, and the Social Security (Central) Rules, 2026 have established a complete registration system for gig and platform workers.[3] The previous statute of Rajasthan was devoted to registration and welfare, whereas the legislation of Karnataka for the year 2025 goes one step further in explicitly regulating "automated monitoring and decision-making systems." It gives rise to a new research question. Recognition and welfare protection, by themselves, do not answer the question about the worker's right to understand why their account is deactivated, why their access to tasks is restricted, or whether an automated decision can be reconsidered by a human decision-maker.

Therefore, the questions raised in this article are as follows: Firstly, how does algorithmic management change the practice of exercising managerial discretion over platform workers? Secondly, do Indian labour laws, data protection laws, and the Constitution provide enough

[1] International Labour Organization, *The Algorithmic Management of Work* (ILO, 2022); International Labour Organization, *World Employment and Social Outlook 2021: The Role of Digital Labour Platforms in Transforming the World of Work* (ILO, Geneva, 2021).

[2] NITI Aayog, *India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work* xviii, 24 (Government of India, 2022).

[3] The Code on Social Security, 2020 (Act 36 of 2020); Ministry of Labour and Employment, Government of India, Letter No. H-11025/03/2025-GPW, Jan. 29, 2026; Social Security (Central) Rules, 2026.

procedure-related guarantees today? And thirdly, should India introduce a national minimum set of algorithmic fair work rights irrespective of the current classification dispute?

LITERATURE REVIEW

Early research into gig economy emphasized the employment classification, precariousness, and the availability of social protection. The next wave of research shifted its emphasis from classification to technology-driven control. Duggan et al. have shown that such app-based control can serve to duplicate traditional managerial practices through the employment of performance measurement, ratings, automation, and surveillance techniques.[4] The UK Supreme Court's judgment in *Uber BV v. Aslam* provides a relevant example where fare setting, monitoring of acceptances, and consequence of ratings have been considered to be evidence of control even though the contractual relationship portrayed drivers as independent contractors.[5]

There is a rising trend in Indian literature on this issue. According to Jasoon Chelat, there should be more focus on technology-mediated control in labor regulations, and not just whether or not the laborers go through the platform.[6] On the same note, the India ratings in Fairwork have due process in the disciplinary or any management actions in respect to accounts as part of the "Fair Management." The platform ratings in Fairwork's 2024 India ratings show great diversity, with some popular platforms failing to meet Fairwork's standards.[7]

What differentiates the scope of this investigation is not the assertion that algorithmic management is insufficiently theorized. The unique problem arises in connection with the legal convergence from the mid-2020s onwards – the enactment of the Social Security Code, the introduction of the 2026 Central Rules, the statutory recognition in Karnataka of automated management, the phased roll-out of the data-protection regime in India, and the EU's Platform Work Directive. The Indian regulatory system is still patchy and is divided along the lines of welfare, data, and labor law in various states. The under-theorized issue here is the status-blind procedural rights connected with algorithmic management.

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[4] James Duggan, Ultan Sherman, Ronan Carbery and Anthony McDonnell, "Algorithmic Management and App-work in the Gig Economy: A Research Agenda for Employment Relations and HRM", 30 *Human Resource Management Journal* 114 (2020).
[5] *Uber BV v. Aslam*, [2021] UKSC 5.
[6] Jasoon Chelat, "From 'Gig Work' to Algorithmically Mediated Work: Shifting the Focus to Technological Control in Work Regulation", 20 *Indian Journal of Law and Technology* 45 (2024).
[7] Fairwork, *Fairwork India Ratings 2024: Labour Standards in the Platform Economy* (Oxford Internet Institute, 2024).

RESEARCH METHODOLOGY

Methodology of the research involves doctrinal, comparative, and analytic approaches. The main Indian sources are the Indian Constitution, the Social Security Code, the Social Security (Central) Rules, 2026, the Digital Personal Data Protection Act, 2023 (DPDP Act), the Digital Personal Data Protection Rules, 2025, and gig-worker laws of Rajasthan and Karnataka. The Indian Supreme Court case law is used to determine the principles of livelihood, dignity, privacy, procedural fairness, and limitations of the horizontal application of the Constitution.

The Comparative analysis of this study will focus on Directive (EU) 2024/2831 and its provisions on the topic of automated surveillance, human supervision, explanations and oversight. Secondary empirical sources will be mostly from NITI Aayog, ILO and Fairwork. The Article doesn't make any claims about primary research. Its contribution is doctrinal and normative – it integrates recent legal developments and defines a viable minimum standard of fair algorithmic management in Indian platform work.

DISCUSSION AND ANALYSIS

Algorithmic Management as an Exercise of Managerial Power

Algorithmic management does not necessarily have to operate through advanced artificial intelligence. An automated system using rule-based mechanisms has considerable power in allocating work, price or reward eligibility, performance evaluation, fraud risk assessment, and access to accounts. This legal issue arises from the asymmetry created by the platform, which establishes the criteria, gathers data, and monitors the worker constantly, whereas the worker is mostly vulnerable to the results produced by the system. Restrictions in assignments or account suspensions may result in economic penalties that amount to discipline without any intervening human being administering the discipline.

This asymmetry poses a challenge to the common belief that gig workers have full freedom in their choice of occupation. Flexible working conditions in terms of login time might exist side-by-side with strict control over what happens after logging into the application. This is why the case of *Uber BV v. Aslam* becomes so useful because it focuses exactly on management rather than form of the employment contract.[8] The British statutory definition of management is not required for India to understand the wider idea that technology might also act as a manager.

[8] *Uber BV v. Aslam*, [2021] UKSC 5, paras 93–101.

The Social Security Code: Recognition Without Algorithmic Due Process

The Social Security Code acknowledges officially the notion of "gig workers" and "platform workers" and sets up the social security protection scheme for those workers. Registration and the related schemes for life and disability insurance, accident protection, health and maternity protection, and old-age security are regulated by Section 113 and 114 respectively. The contribution of aggregators is also envisaged in the statutory limit.[9] This constitutes a major departure from the framework where the platform workers were not recognized legally.

The 2026 Central Rules further elaborate the implementation. Registration is set out in Rule 48 through the portal of the Government, and the scheme design might demand, apart from the registration requirement, minimum engagement for at least ninety days with one aggregator or a sum of one hundred twenty days with several aggregators in the previous financial year. The aggregators are obligated to share electronic data on the worker to update the registration details.[10]

Those steps have considerable significance but they have the regulatory objective of social protection rather than management process. A worker can be registered for the benefit even if he/she experiences the unexplained decrease in work opportunities or deactivation. The registration and welfare contributions do not imply the right of any explanation for the decisions, revealing the decisive factors, and human reconsideration. Thus, the code describes the process of entry into social security better than the use of algorithmic power over day-to-day work.

State Experiments: Rajasthan and Karnataka

In Rajasthani legislation of 2023, the first steps are taken in terms of regulating labor relations via platforms on the state level. Among other things, this regulatory scheme introduces the establishment of welfare board, registration procedures of workers and aggregators, a welfare fund, and welfare fee tied to transactions.[11] However, the main point of this legislative theory is linked with registration and funding of welfare. The Rajasthani law does not offer a detailed legal regulation of transparency and the process of automated decisions.

The 2025 Act of Karnataka is more significant from the point of view of the current analysis. In this Act, automated monitoring and decision-making systems are defined as well as transparency in regard to such systems is stated as an issue regulated by the legislation. Section 13 requires disclosure in case of any automated system impacting the

[9] The Code on Social Security, 2020, ss. 113–114 and s. 114(4).
[10] Social Security (Central) Rules, 2026, r. 48.
[11] The Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023.

process of work, while the 2025 Rules regulate worker access to information and introduction of human contacts of the platforms in specific issues.[12]

However, transparency is not the same thing as due process. Even when general knowledge about the parameters remains available, there is no guarantee that a worker will be able to discern the basis of any particular negative outcome. An appropriate legal structure would be able to distinguish between the publication of the source code, which may appropriately raise questions of trade secrets and cybersecurity, and an explanation of any particular decision that does not require disclosing source code.

Data Protection: Relevant but Not a Substitute for Labour Regulation

The management of the platform requires personal information, such as location history, ratings, acceptances, time taken for tasks, device information, and behavioral information that could affect the outcome of management. In this respect, the DPDP Act comes into relevance. The Act addresses the processing of personal data that is in the digital format and provides rights like access to information and grievance redressal.[13] These rights can help where an adverse decision rests on inaccurate data.

Problems of data protection and worker rights have nothing in common. A correction of a wrong location data record is not enough to decide whether the suspension has been justified; similarly, processing data in accordance with the data protection legislation does not mean that any decision on remuneration or ranking on the basis of such data is procedurally sound. Finally, some rules of the DPDP Rules, 2025 are applicable immediately after its adoption, but others are to be implemented only after one or one and a half years.[14] As of 3 September 2026, it would be impossible to claim that the framework makes all substantive rules fully effective now. First of all, present data protection rules in India do not provide for a European-style general right of platform workers to a human review of any important automated managerial decision. Regulation of labor is necessary due to obvious interest in exercising control over employment.

Constitutional Values and the Horizontal-Application Problem

Articles 14, 19(1)(g), and 21 provide a substantive framework for evaluating algorithmic labor. The Supreme Court has traditionally

[12] The Karnataka Platform Based Gig Workers (Social Security and Welfare) Act, 2025, ss. 2(a), 13; Karnataka Platform Based Gig Workers (Social Security and Welfare) Rules, 2025.
[13] The Digital Personal Data Protection Act, 2023 (Act 22 of 2023), ss. 11–13.
[14] Digital Personal Data Protection Rules, 2025, r. 1(2)–(4).

associated Article 21 with livelihood, and in the case of *D.K. Yadav v. J.M.A. Industries Ltd.*, it stated that the process must be fair where livelihood is threatened by termination.[15] Privacy, dignity, and autonomy have been held to be constitutional values in *Justice K.S. Puttaswamy (Retd.) v. Union of India*, and hence worker surveillance becomes legally relevant, at least from the perspective of constitutional values.[16]

However, an analysis of the situation would need to avoid the temptation to automatically convert the cases into constitutional duties for every private entity involved. The doctrine in Article 12 does not make a private entity an instrumentality of the State based on decisions that have significant impacts on economic activity. The case of *Zee Telefilms Ltd. v. Union of India* highlights the limits of the instrumentality of the State approach, while *Kaushal Kishor v. State of Uttar Pradesh* shows how complex the matter can become.[17]

However, the better argument would be that of legislation. The constitutional promise of non-arbitrariness, human dignity, livelihood, and freedom of occupation may serve as guides to Parliament in formulating statutory provisions protecting private economic power. It is not that each and every deactivation would amount to a violation of Article 21 in itself, but that the system of law which is committed to procedure would not allow such managerial decisions impacting livelihood to escape from accountability due to automation.

Comparative Perspective: The EU Platform Work Directive

(Directive (EU) 2024/2831) is clearly the most relevant example from recent times within this field. Directive (EU) 2024/2831 – Chapter on Algorithmic Management covers the processing of personal data through automatic systems and sets out requirements regarding transparency about any automatic monitoring and decision-making as well as human supervision and a right to human review. Article 10 provides human supervision and requires that any decision restricting, suspending or terminating the individual's account or contractual relationship, or decisions that have similar consequences, should be taken by a human being. Article 11 guarantees right to an intelligible explanation and access to a human point of contact; for certain significant decisions, reasons must be provided in writing.[18]

[15] *Olga Tellis v. Bombay Municipal Corporation*, (1985) 3 SCC 545; *D.K. Yadav v. J.M.A. Industries Ltd.*, (1993) 3 SCC 259.
[16] *Justice K.S. Puttaswamy (Retd.) v. Union of India*, (2017) 10 SCC 1.
[17] *Zee Telefilms Ltd. v. Union of India*, (2005) 4 SCC 649; *Kaushal Kishor v. State of Uttar Pradesh*, (2023) 4 SCC 1.
[18] Directive (EU) 2024/2831 of the European Parliament and of the Council of 23 October

It needs to be mentioned that under the Directive, there is the requirement for the impact assessment of the use of automated decision-making, participation of workers' representatives, and the process of informing and consulting about the use of algorithmic management. Member States have to adopt the Directive into their national laws by 2 December 2026.[19] In turn, it is important to highlight that application of the Directive in India should not imply its adaptation, but rather its consideration within the framework of the regulatory regime provided for in the Directive. It is worth mentioning that many provisions in relation to algorithmic management refer to "persons performing platform work."

FINDINGS

First, algorithmic management is functional managerial authority in which automated systems play a decisive role in relation to workers' access to assignments, pay, evaluations, or participation in a platform. The legal relevance of algorithmic management does not hinge on compliance with a restrictive technical definition of artificial intelligence. Second, India's national scheme currently recognizes gig and platform workers for the purposes of social security in a relevant manner, but it is predominantly welfare-based. Registration, contributions, and eligibility for benefits do not secure procedural rights against opaque managerial discretion. Third, state innovation demonstrates two approaches to regulation – while Rajasthan mainly concerns itself with registration and financing of the welfare system, Karnataka regulates monitoring and decision-making by automated systems explicitly. Accordingly, Karnataka's approach lays a better foundation for future reform at the national level, even though its transparency regime needs to be complemented by explanation of the decisions and mechanisms for review of their legality. Fourth, data protection rights are complementary but not sufficient. A specific labour law regime will have to regulate not only lawful data processing but also the accountability and contestability of livelihood-affecting decisions based on the data. Fifth, constitutional case law provides additional normative support but does not replace the legislative process. There is an open question whether direct horizontal application of the Constitution against private platforms is permissible. A statutory, status-neutral floor is therefore preferable.

RECOMMENDATIONS

There should be a National Algorithmic Fair Work Framework within the Indian labour law, applicable where a digital labour platform uses

2024 on Improving Working Conditions in Platform Work, arts. 7–11.
[19] *Id.*, art. 29.

any automated monitoring or decision-making system that significantly impacts access to work, payment, ranking, discipline, and continued platform membership. The coverage should be based on the exercise of algorithmic managerial authority and not necessarily on whether the platform workers are employees in traditional legal sense.

Firstly, a notice regarding algorithmic management must be given that includes the type of automated system that is being used, the significant factors that impact the allocation, remuneration, ranking, and discipline, as well as the types of worker data that are used. It must be about providing decisional information and not the source code.

Secondly, any suspension, deactivation, withholding payment, serious assignment restrictions, or similar decisions should be made after providing specific decision-related written explanations. General statements regarding "platform policy" will not be sufficient when the adverse impact seriously interferes with the worker's livelihood.

Thirdly, each high-impact decision involving automated or algorithmic process must be able to be reviewed in a timely manner by an authorised human decision-maker who is able to overturn it. Workers must be allowed to correct inaccurate information and have a well-reasoned decision given. Temporary restrictions are allowable in cases of actual fraud or safety but must be followed by post-decision review.

Fourthly, platforms using any high-impact worker management systems must conduct algorithmic impact assessment and regular independent audit regarding discriminatory effects, systematic errors, excessive surveillance, allocation distortions, and occupational safety. The Fairwork framework's "Fair Management" assessment method shows that due process and management equity practices can be assessed in real operational environments.[20]

Discussions with trade unions must be held before any changes in the algorithm related to remuneration, performance evaluation, and punishment are implemented. While the former strategy focuses on solving one negative effect, the latter aims at revealing the root cause of the problem. Therefore, the suggested model is expected to serve as an addition to, not as a replacement for, the Social Security Code, the DPDP framework, and the relevant state welfare legislation.

CONCLUSION

While the platform economy has not done away with management, it has changed its nature. It is quite likely that the worker will never meet the

[20] Fairwork, *Fairwork India Ratings 2024: Labour Standards in the Platform Economy* (Oxford Internet Institute, 2024), Principle 4.

one who controls their access to work since crucial tasks are assigned to software, metrics, and rule-based systems. It brings about certain efficiency but creates a unique issue of accountability when people's livelihoods are managed through systems which are not clear for the workers and cannot be contested.

India has surpassed the point where it simply ignores the gig work. The Social Security Code and the 2026 Rules outline the working national system of social security; Rajasthan has developed the regulation for welfare state; and Karnataka has adopted automated systems of control and decision-making under labour law. However, there is still some protection gap. Rights to welfare do not solve the problem of procedure of automated control, and data protection cannot define if the managerial decisions are reasonable.

It means that the next step in regulatory development has to include at least the minimal set of algorithmic rights for fair work, including adequate notification, concrete reasons, reasonable use of data, human decision-making, impact assessment, and collective involvement. These rights will not stop automation, oblige to disclose proprietary code, or predefine the employment status. What they will do is to introduce a more limited idea of protecting the worker from losing his/her procedural rights just because the manager uses software.