


For India's gig workers, Modi reforms skip rights protections

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BENGALURU -- At close to 11 p.m. as the mercury dropped on a crisp December night, delivery rider Sajjan Rai's work still wasn't done for the day. Parked outside the warehouse of a startup in this southern Indian city, he sat on his scooter, fidgeting with his smartphone, waiting for his 42nd assignment of a marathon shift.

Completing 42 orders in a day is the magic number to qualify for a 550 rupee (\$6) bonus on top of the 21 rupees he earns on average for every delivery he makes for the major platform for which he rides. Despite the unskilled nature of the work, Rai's gross monthly earnings come to nearly 38,000 rupees (\$421) a month -- slightly more than the starting salary of coders at software service exporters like Infosys and Tata Consultancy Services, according to media and industry reports.

Rai's salary shows how, even without the perks that come with regular jobs, such as paid vacation time and much shorter hours, [gig work](#) has surged in appeal in a country where government data suggests that formal employment shrank from 24% to 22% of the working population in the five years through March 2024. Private sector job creation has become a major thorn in the side of Narendra Modi as the prime minister pushes to establish India as an economic powerhouse, with government work [still attracting youth](#) in a big way.

A dearth of jobs elsewhere has pushed millions of Indians onto gig platforms and even encouraged them to migrate from small cities and villages, experts say. According to the V.V. Giri National Labour Institute, affiliated to India's labor ministry, gig workers will comprise 6.6% of India's nonfarm workforce by

2030 and nearly 15% by 2047, up from 2.4% in 2020. The share of self-employed people in India climbed to 58% from 52%. In Japan and the U.S., the figure was about 10% for the five years through March 2024, according to government data.

But Rai's lucrative payout demands working at least 14 hours a day, riding Bangalore's notoriously potholed and congested roads and being courteous to sometimes disgruntled customers. After two years of delivering food and groceries, Rai, 23, complains of an aching back.



Indian Prime Minister Narendra Modi, seen addressing supporters in Guwahati on Dec. 20, 2025, described recent reforms as "a future-ready ecosystem that protects the rights of workers." © Reuters

"The only way to make more money is to work longer hours, because we don't get annual increments (pay raises), but there is a limit to what a human body can endure," Rai told Nikkei Asia. "I, and every other delivery person I know, wish the government intervened to make our lives easier."

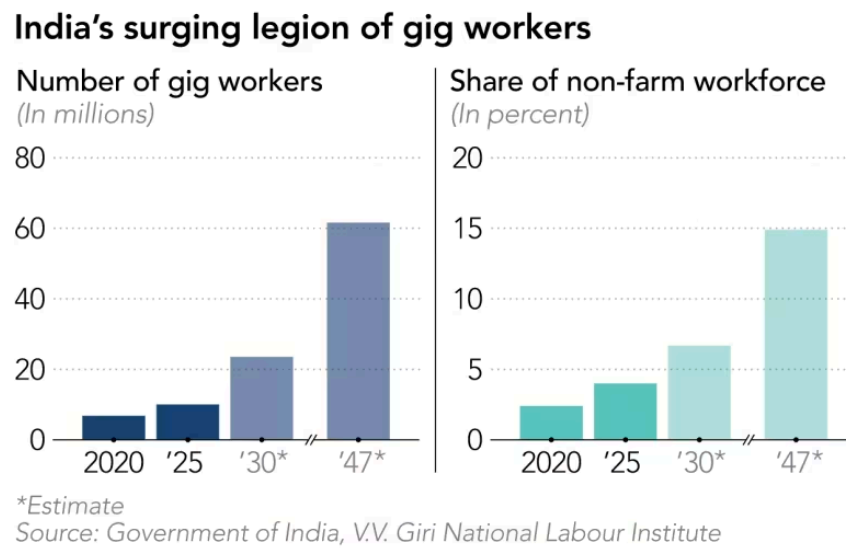
As the gig economy has grown, so too have calls for Modi's administration to step in to safeguard labor rights for a workforce poised to expand more than three times to 23.5 million in the decade to 2030, according to government estimates, powering Amazon, Uber and food and services delivery firms like Zomato, Swiggy and Urban Company in the world's most populous country.

[Reforms were passed](#) into national law in November. For five years, the measures had faced stiff resistance from Modi's political opponents and traditional labor unions that feared the legislation would make it easier to fire workers.

But while Modi touted the changes as a step toward creating "a future-ready ecosystem that protects the rights of workers," an initial welcome from legal and labor rights experts has faded amid [growing concerns](#) that the changes

don't go far enough for delivery driver Rai and others like him as they fail to provide guarantees on wages and working time limits.

Under the changes, 29 labor laws have been crunched into four codes: Wages, industrial relations, social security and worker safety.



The new laws do recognize gig workers formally for the first time under the social security code. That will make them eligible for schemes offering "life, disability, health and old-age benefits," pulling from a social security fund that requires gig platforms to contribute 1% to 2% of their annual revenues, capped at 5% of their total annual payouts to the workers.

But being left out of the other three codes denies gig workers a minimum wage, payments marking years of service, 48-hour maximum work weeks and overtime payments that are double the regular wage. The debate over the new codes comes as India's burgeoning quick delivery platforms [pull back](#) from promises of delivering products in 10 minutes, following an intervention by the labor minister and strikes by delivery workers.

"The major concern that the gig workers in India have is that they work for nearly 10-12 hours a day, and are still not treated equivalent to an employee," said Vijetha Ravi, assistant professor at the National Law School of India University in Bangalore. "They have no baseline entitlement, and the schemes that may be drafted are not equivalent to actual legislative protection."

Labor rights activists said the social security schemes are a welcome development but inadequate. While details are yet to emerge, they are worried about the timelines and extent of the benefits.

A worker sorts delivery packages in a van outside an Amazon facility in Ahmedabad on Oct. 5, 2021. Amazon said late last year it plans to invest \$35

billion in India. © Reuters

"We have to see if all the benefits come in at once or in phases, and the latter only makes the wait longer ... there has been a lot of delay already," said Shaik Salauddin, national general secretary at the Indian Federation of App-based Transport Workers (IFAT), a labor rights group that represents 70,000 gig workers. "We are also disappointed that nothing was done about wages and work hours."

The struggle to secure gig worker rights could stretch even longer.

Labor policy in India is a shared responsibility between the central and state governments, which means the states need to roll out some of the schemes meant to benefit gig workers. But even the five states to have already passed laws for gig workers -- Karnataka and Telangana in the south, Bihar and Jharkhand in the east and Rajasthan in the north -- stopped short of awarding gig workers a minimum wage.

"It is a pity that nobody is paying attention to these concerns," the IFAT's Salauddin said, "but unless we are recognized as employees, it is difficult to secure those rights."

The rise of gig work has put the spotlight on the quality of such jobs, with experts saying the new labor codes don't move the needle on that front.

A general street view in Bengaluru in November 2025. For many Indians, gig work offers a better-paid alternative to a full-time job at a private enterprise. (Photo by Ken Kobayashi)

"We are in an economy with significant levels of underemployment and unemployment, so for people struggling to survive, this (gig work) opens up a door," said Balaji Parthasarathy, professor at International Institute of Information Technology in Bangalore and principal investigator at Fairwork in India, a research project focused on working conditions. "One can say that gig work opportunities on digital platforms are expanding rapidly, but we are ignoring questions about what kind of opportunities" these are.

Gig workers say the work is stressful.

Malthi, a beautician with home services platform Urban Company, told Nikkei Asia she was worried sick months after signing up for the app in 2024 when a few dissatisfied customers rated her work poorly. Her overall rating dropped to 4.7 out of 5, the bare minimum needed to be able to continue working.

Choosing to be identified by a pseudonym to speak freely, Malthi said she believes she was not at fault. On one occasion, she was 20 minutes late for an appointment after being stuck in traffic. On another occasion, a customer complained she was not applying enough pressure during a shoulder massage. On both occasions, she said, she tried to reason with the customers, who in turn accused her of being rude.

"Until those incidents, nobody gave me a bad rating, so how does Urban Company decide I was at fault, and the customers were not overbearing?" Malthi asked. "It appears that the company trusts customers more than us."

Her ratings eventually improved, and Malthi now avoids saying her piece if customers nag. "I swallow my pride because this work gets me about 30,000 rupees a month, 50% more than what I made working at a beauty parlour," she said.

Urban Company didn't respond to requests for comment.

The gig platforms, however, say worker welfare is a top priority.

A spokesperson for Eternal, worth \$30 billion by market value and owner of food delivery company Zomato and grocery delivery outfit Blinkit, said its nearly 900,000 delivery "executives" are "the true backbone of our organization." Delivery riders who put in at least eight hours every day for 26 days a month make nearly 28,000 rupees, according to the spokesperson.

A Zomato driver is seen on the street of Mumbai in 2024. The delivery company's parent, Eternal, has a \$30 billion market value. (Photo by Yuki Kohara)

"Even after accounting for estimated fuel cost of roughly 5,000 rupees per month, it is fairly attractive vis-a-vis alternate income opportunities for them," the spokesperson said.

Eternal also offers health insurance that covers up to 100,000 rupees in medical costs and an accident insurance policy that can pay out 1 million rupees. Claims from delivery workers doubled to 530 million rupees in 2024 from 2021. The company has also partnered with more than 5,000 restaurants to provide its riders with rest space, washrooms and phone-charging points.

Gig workers said that at the outset, platforms showered them with generous incentives and minimum wage guarantees. But after workforces had filled up, the platforms made a concerted push toward profitability and benefits tailed off, the "executives" say.

For Aayush Agarwal, chief executive of Snabbit, which supplies on-demand domestic help, "I don't think the propensity (of the platforms) to pay workers has (been) reduced, but the model changes from minimum guarantees or fixed payouts to a more variable model, where you earn depending on the work."

"Platforms over time start aligning payouts with good behavior and intent to work, which is not wrong," Agarwal told Nikkei Asia. The 2-year-old startup, which currently guarantees a daily income of up to 1,000 rupees for eight hours of work, will also follow that track, he said. "The earning potential on Snabbit for an expert (gig worker) who is willing to work will never [decrease]."

Wage bills are a major issue for gig platforms, whose profits are under strain from spending big on promotions to boost market share. Eternal's July-September profit shrank nearly two-thirds from the year-earlier quarter to 650 million rupees. Losses at rival Swiggy for the same period expanded by three-quarters to 10.9 billion rupees.

In addition, now that gig work is covered by the social security code, platforms must contribute to a fund, which could lead to price hikes, experts say.

"It is a matter of wait and watch for them," said Atul Gupta, a labor and employment practice partner at Trilegal, a law firm. "The way I envisage this happening is ultimately the cost will get passed on to the customers."

Yellow taxis are seen on the streets of Kolkata. Delivery riders have to cope with traffic for up to 14 hours a day. © AP

The Eternal spokesperson said any financial impact from those payouts will not affect the long-term sustainability of the business, and Snabbit's Agarwal believes the regulations will create more trust in the platforms and arrest worker churn.

"Most of the experts (gig workers) have lived a very tough life, and there are reasons for them to think that the world is out there to get them," Agarwal said. "Any short-term impact that the social security payouts may have on our bottom line, we see them as an investment towards building trust with service providers."

Back in Bangalore, delivery driver Rai is intent on saving up to open an eatery in Darjeeling, his hometown and a popular tourist town in the hills of eastern India.

"A business of my own has been a childhood dream, but we never had enough money to invest upfront," Rai said. "I am close to the target, so for me it's gig work for another year or so."

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