

E-commerce Platforms and Gig Workers: A Study of Partnerships and Challenges

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DOI: 10.37648/ijtbm.v16i02.004

¹Received: 20 March 2026; Accepted: 23 April 2026; Published: 26 April 2026

Abstract

E-commerce platforms have experienced tremendous expansion, which has resulted in the growth of gig employment, which has had a transformative effect on labor markets. These platforms are increasingly dependent on flexible partnerships with gig workers that are mediated by technology in order to successfully carry out operations related to customer support, delivery, and logistics. Although such collaborations present prospects for economic growth and improve operational efficiency, they also raise issues over the wellbeing of workers, the stability of their income, and the security of their jobs. Within the context of this ever-evolving ecosystem, this study investigates the nature of relationships between e-commerce platforms and gig workers, shedding light on the benefits as well as the obstacles that that ecosystem presents. The article comes to a close with some policy recommendations that aim to improve the long-term viability and equitable distribution of gig labor arrangements.

Keywords: *E-commerce; Gig Economy; Platform Workers; Digital Labour; Employment Flexibility Labour Rights*

Introduction:

Commerce on a global scale has been completely transformed as a result of the proliferation of e-commerce platforms like Amazon and Flipkart, as well as other digital marketplaces. One of the most important aspects of this change is the incorporation of platform-based business models with gig workers. Last-mile delivery, warehousing support, and customer help are all examples of vital roles that gig workers, who are often employed on a temporary or task-based basis, are responsible for performing effectively. As a result of technical improvements, increased internet access, and shifting tastes for different types of labor, the gig economy has experienced substantial growth. Over the past few years, this pattern has become more prevalent in India, where millions of workers have joined employment systems that are centered on an online platform. In order to highlight the one-of-a-kind connection that exists between platforms and labor, these workers are frequently referred to as "delivery partners" or "independent contractors."

Conceptual Framework: E-commerce and Gig Work

Digital infrastructures are the means by which e-commerce platforms function. These infrastructures function to match demand (clients) with supply (goods and services). Gig workers serve as mediators, which ensures that services are delivered in an effective manner.

Gig work is characterized by:

¹ How to cite the article: Kapuganti R., Prabhakar J.R. (April 2026); E-commerce Platforms and Gig Workers: A Study of Partnerships and Challenges; *International Journal of Transformations in Business Management*, Vol 16, Issue 2, 44-48, DOI: <http://doi.org/10.37648/ijtbm.v16i02.004>

- Task-based assignments
- Flexible working hours
- Platform-mediated engagement
- Absence of traditional employer–employee relationships

These characteristics reimagine the conventional notions of employment and give rise to a hybrid system in which workers are neither completely self-sufficient nor formally affiliated with an employer.

Nature of Partnerships between E-commerce Platforms and Gig Workers

1. **Platform-Based Contractual Relationships:** Employing gig workers through digital contracts rather than traditional employment agreements is the method that e-commerce companies use to hire them. In the United States, workers are classed as independent contractors, which reduces the duties that employers have regarding compensation, benefits, and job security.
2. **Algorithmic Management:** For the purpose of assigning tasks, monitoring performance, and determining remuneration, platforms make use of algorithms. Despite the fact that it improves efficiency, this data-driven method restricts worker autonomy.
3. **Revenue and Incentive Structures:** Gig workers are compensated based on Number of deliveries/tasks, Distance traveled and Incentives for peak hours
4. **Multi-Platform Engagement:** There is a decentralized partnership model that is reflected in the fact that many gig workers connect with many platforms simultaneously in order to maximize their earning potential.

Opportunities in Platform–Gig Worker Partnerships

1. **Employment Generation:** Platforms for e-commerce have resulted in the creation of a great number of employment prospects, particularly for workers with semi-skilled and unskilled skills. The gig economy offers a convenient way to enter the workforce and is a source of employment opportunities.
2. **Flexibility and Autonomy:** Because gig workers have the ability to choose their own projects and have flexible working hours, this type of employment is ideal for individuals who are looking for additional money, such as students and part-time professionals.
3. **Technological Inclusion:** Workers are able to access job prospects through mobile applications thanks to digital platforms, which promotes digital literacy and inclusivity.
4. **Economic Growth and Efficiency:** The gig model helps e-commerce companies improve their operational efficiency by lowering their fixed labor costs and making it possible for them to manage their staff in a scalable manner.

Challenges Faced by Gig Workers

1. **Lack of Job Security:** Because their contracts might be terminated without prior warning, gig workers are subject to employment situations that are fraught with uncertainty. They are not protected against a sudden depletion of their revenue.
2. **Absence of Social Security:** The majority of people who work in the gig economy do not receive benefits such as health insurance, paid leave, or retirement plans, which leaves them susceptible to the effects of economic shocks.
3. **Income Instability:** Earnings are highly changeable and are determined by factors like as demand, incentives, and the policies of the platform. There are a lot of workers who suffer with having irregular income streams.

4. **Algorithmic Control and Transparency Issues:** It is common for workers to lack understanding regarding the algorithms that decide job allocation and pay, which can lead to the perception that they are being treated unfairly.
5. **Long Working Hours and Work Pressure:** Gig workers frequently put in long hours under intense pressure in order to obtain the level of profits they require.
6. **Limited Collective Representation:** Gig workers often do not have unions or formal representation, which decreases their ability to negotiate favorable terms.
7. **Legal and Regulatory Ambiguity:** There are legal ambiguities surrounding rights, obligations, and safeguards that arise as a result of the definition of gig workers as independent contractors.

Challenges for E-commerce Platforms

1. **Workforce Instability:** Platforms are confronted with high turnover rates and staff shortages, both of which have the potential to disrupt operations and the quality of services provided.
2. **Regulatory Pressures:** It is becoming increasingly common for governments to advocate for more stringent labor safeguards, which may result in an increase in operational costs.
3. **Reputation and Ethical Concerns:** The scrutiny of the public about the exploitation of workers and unjust acts can be detrimental to the reputation of a company.
4. **Dependence on Gig Workforce:** When platforms rely excessively on gig workers, they put themselves at danger of experiencing hazards such as strikes, protests, and labor shortages.

Emerging Trends and Policy Developments

The gig economy is currently seeing a substantial boom, and it is expected that India's gig workforce will reach 23.5 million by the time the year 2029-30 arrives. In spite of the fact that it is struggling with unstable revenue and algorithmic control, this industry is fast implementing incentives that are favorable to workers and is discussing legal movements toward offering social security. Fast commerce and e-commerce platforms are the primary forces behind the growth of this business.

- a. **Rapid Expansion:** Gig labor in India has had amazing growth this year, with a substantial amount of penetration in Tier 2 and Tier 3 cities. Other cities in India have also experienced same increase.
- b. **Diversification of Skills:** In recent years, there has been a surge in both high-skilled (freelancing) and low-skilled (delivery) positions. This is despite the fact that medium-skilled labor accounts for 47% of gig work.
- c. **Platform Intensification:** The proliferation of rapid commerce platforms like Zippee and Swiggy is the primary factor that is driving the growing demand for partners that can provide last-mile delivery services.
- d. **Shifting Compensation Models:** In response to shortages, platforms are increasing the number of incentives they offer, such as attendance bonuses and enhanced prizes per order. On the other hand, riders in metros have faced swings in their net earnings.
- e. **Algorithmic Management:** Platforms leverage data analytics for work allocation, performance monitoring, and pricing, which increases efficiency but also raises transparency concerns.

Suggestions and Policy Recommendations

1. **Formal Recognition:** Workers who are employed on platforms and in gig economies are becoming more officially recognized as a result of policies that are heading in that direction.
2. **Social Security Code (India):** According to the Code on Social Security 2020, platform workers will be entitled for welfare benefits such as accidental insurance, maternity benefits, and pensions. These benefits will be available to them.

3. **Focus on Worker Rights:** A growing number of people are placing an increased emphasis on the regulation of platforms in order to ensure that fair working conditions, minimum wage structures, and the right to collective representation are all protected.
4. **International Trends:** On a worldwide scale, there is an effort being undertaken to reclassify gig workers as employees, which would provide them with more legal rights. A global movement is now underway.

Implementing Social Protection for India's Gig and Platform Employees

The purpose of this research is to shed light on the many social protection initiatives throughout the world that have been taken for gig and platform workers, as well as how these approaches can pave the way for social protection measures to be implemented in India for gig and platform workers.

1. **Measures for Paid Sick Leave, Health Access and Insurance:** Platforms may incorporate policies regarding paid sick leave, health access, and insurance for all employees they engage all year into their workplace or work engagement strategies, similar to the steps taken to address the COVID-19 pandemic. Social security coverage for platform workers hired by these companies will improve as a result of this.
2. **Occupational Disease and Work Accident Insurance:** Along the same lines as Indonesia's initiatives to provide workers with accident and other types of insurance through digital mechanisms, ride-hailing, delivery, and e-commerce platforms may adopt such a model in order to provide accident insurance to all delivery and driver partners, as well as other platform workers across India. In accordance with the Code on Social Security, 2020, these may be made available through a partnership with either the private sector or the government.
3. **Retirement/Pension Plans and Other Contingency Benefits:** Gig and platform companies need to establish policies that give old age and retirement plans and benefits, as well as other insurance cover for contingencies such as injuries that may arise from work and lead to loss of employment and income, as highlighted in the instance of measures introduced in the United Kingdom in the study. These plans and policies may be designed in a one-of-a-kind manner by a company, in collaboration with insurance firms, or they may be designed and made available in collaboration with the government, as is envisioned in the Code on Social Security, 2020.
4. **Support to Workers in a Situation of Irregularity of Work:** Gig and platform businesses may think about giving financial assistance to their employees, as shown in the study by looking at programs in the US and UK. In order to protect people from financial hardship caused by job insecurity or irregularities, this is an essential first step toward establishing guaranteed minimum wages and social security.
5. **Supporting Small Businesses & Entrepreneurs associated with Platforms:** As a part of the steps that have been implemented to minimize the issues that have been brought about by the COVID-19 epidemic, there have been instances of specific platforms providing interest-free business advances and extended payback periods in order to protect the gig workers, self-employed individuals, and small businesses that are associated with them. A partnership between the Kerala State Civil Supplies Corporation in Kochi and the meal delivery service Zomato has resulted in the inclusion of grains and other necessities on the digital platform. With the help of examples like these, it might be possible to stimulate collaborations between platforms and small business owners.
6. **Contingency Cover out of a Corpus Fund:** A mobility platform, as demonstrated in the study, established a corpus of twenty crores of Indian rupees (INR) in order to provide assistance to drivers of auto-rickshaws, cabs, kaalipeelis, and taxis in order to alleviate the impact of the Covid-19 lockout on their income. This fund is known as the "Drive the Driver Fund." In the event of unforeseen circumstances, measures such as providing social security coverage from a corpus fund might be of assistance to persons who are self-employed and operate in the gig and platform industries, as well as other individuals linked with the industry.

Conclusion:

The nature of labor is undergoing a profound transformation as a result of the alliance between e-commerce platforms and gig workers. In spite of the fact that this paradigm provides flexibility, employment opportunities, and economic efficiency, it also presents substantial issues in terms of job security, income stability, and worker wellbeing. It is vital to take a balanced strategy that combines regulatory monitoring, platform responsibility, and worker empowerment in order to guarantee that the gig economy has the potential to develop into a system that is both sustainable and inclusive. It is a term that is used to describe work arrangements that are short-term, flexible, and typically freelance. These work arrangements are characterized by the fact that individuals take on "gigs" or short-term projects in place of traditional full-time jobs. The advent of digital platforms and mobile technologies has made it feasible for individuals to engage in gig employment, which encompasses a diverse variety of tasks such as freelance writing, design, consulting, technical development, transportation and delivery, and more. Identifying the variables that are driving the rise of gig employment and the influence those factors have on the satisfaction of gig workers is the primary objective of the study. Additionally, the study aims to uncover the opportunities and problems that gig workers face. For the purpose of contextualizing findings and identifying trends, data are acquired by looking through government databases, figures from the industry, and papers that have been published in older publications. We obtain primary data from Uber, Ola, Swiggy, and Zomato by means of conducting surveys and interviews with their respective employees. This research makes use of both quantitative and qualitative approaches to data collection. Gig employment gives individuals the opportunity to work a variety of jobs and set their own hours, which is very beneficial for individuals who are in need of additional financial support financially. Many individuals who work in the gig economy are appreciative of the independence and freedom that come with gig employment. This type of employment allows individuals to balance other obligations, such as childcare or education, with their work. The income is frequently unpredictable, and a significant number of workers face changes in their earnings. As a result of the uncertainty of their income, gig workers may have a difficult time acquiring traditional financial services such as credit or loans, as well as making plans for their long-term financial security.

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