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# Labour, Technology, and Gig Work in India

*The Economic Survey, Budget 2026, and the Way Ahead*

*A REVIEW REPORT*

Future Shift Labs

*CENTRE OF INCLUSIVITY*
*TECH AND LABOUR PROGRAMME*

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## A Review Report

February 2026
**Author:** Prachi Sharma

**Future Shift Labs (FSL)** is a strategic research and policy think tank working to build a sustainable, equitable, and digitally resilient future by advancing responsible and ethical applications of artificial intelligence. Established in 2024, the organisation conducts in-depth research and analysis on emerging AI technologies and their societal impact, advocates for inclusive AI governance, and supports strategic consulting, training, and public engagement to strengthen institutional and community capacity. With a focus on fostering collaboration among researchers, policymakers, industry leaders, and civil society, Future Shift Labs seeks to position India as a global leader in digital diplomacy, ethical AI development, and international cooperation on emerging technology challenges.

The **Centre of Inclusivity** at Future Shift Labs focuses on addressing data bias and algorithmic exclusion that disproportionately affect women and marginalised communities. Through capacity-building programmes, media and AI literacy initiatives, and tools such as the AI Digital Passport, the Centre equips women with the skills to critically understand and responsibly use AI technologies. Through the Yashoda AI initiative, the Centre envisions a national, women-centric platform that empowers women to engage meaningfully with AI as a force shaping society, governance, media, and economic opportunity. Complementing this, the Centre's **Tech and Labour** research focus examines the impact of AI and emerging technologies on work, particularly within India's growing platform and gig economy. With millions of jobs facing automation risks and major labour reforms underway, the Centre advances forward-looking research on the future of work, power asymmetries, and worker well-being to support inclusive and equitable digital futures.

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# About This Report

This report examines how employment, labour regulation, and technological change are being framed in India's current policy moment. It brings together three key policy instruments to assess what they collectively signal about the future of work, with a particular focus on the rapidly expanding gig and platform economy.

- The Four Labour Codes, effective November 21, 2025
- The Economic Survey 2025–26
- The Union Budget 2026

Rather than treating these instruments in isolation, the report reads them together to identify areas of convergence, tension, and omission.

**Key outcomes of the report**

- Identifies a disconnect between the diagnostic clarity in the Economic Survey and fiscal commitment in the Union Budget, wherein the former acknowledges job quality, demographic ageing, and the risks of gig and platform work, while the latter offers limited and uneven fiscal follow-through on these concerns.
- Demonstrates that gig and platform work in India functions primarily as necessity-based employment rather than supplemental income out of 'choice', challenging policy assumptions that justify weaker protections on grounds of flexibility or part-time engagement.
- Shows that the current policy emphasis on skilling as a primary labour-market solution obscures demand-side constraints, including the scarcity of secure, well-protected jobs, wage stagnation, and weak enforcement of social protection and labour standards.
- Highlights the absence of operational clarity and accountability mechanisms in flagship initiatives such as the Labour Codes, e-Shram, and the National Career Service, despite their repeated invocation as pillars of labour reform.
- Establishes that job quality and worker longevity are structurally linked, and that without social security, income stability, and occupational safety, the demographic transition toward an ageing workforce undermines the possibility of realising a longevity dividend.
- Finds that while the Economic Survey adopts a measured and evidence-based stance on AI and employment, policy responses remain underdeveloped, with limited sector-specific planning for how automation may reshape labour demand in both digital and non-digital occupations.
- Surfaces outsourcing and platform-based subcontracting in global AI supply chains as an under-acknowledged policy blind spot, where fragmented contracting arrangements allow labour protections to fall between jurisdictions and evade effective enforcement.

**Intended audience**

- Policymakers working on labour, employment, and technology policy
- Trade unions, worker collectives, and civil society organisations
- Researchers and practitioners engaged with the future of work and digital labour
- Journalists and public-interest institutions tracking employment and tech governance

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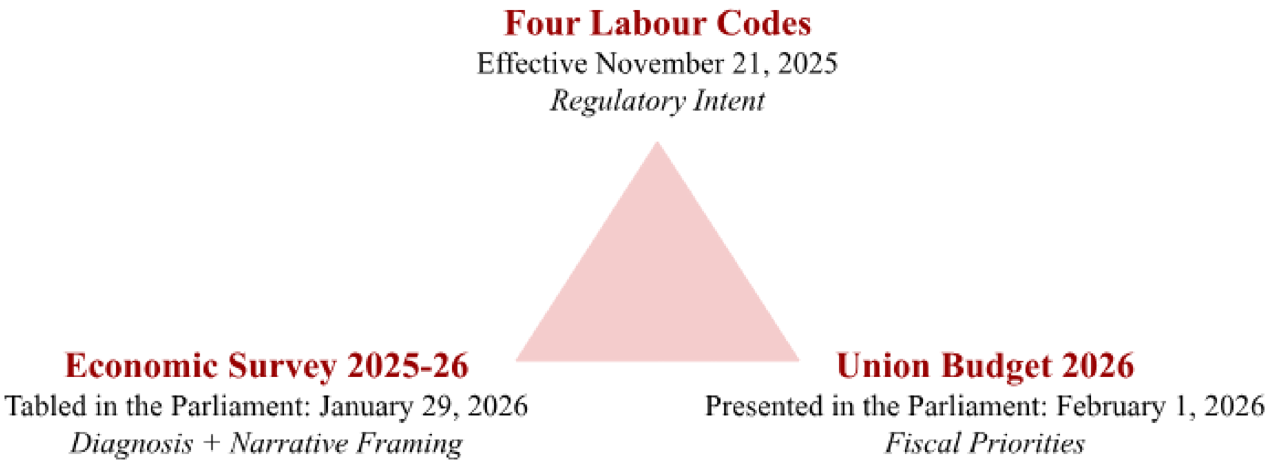
# Introduction: Work & Technological Impact

The challenges emerging from the impact of technology on labour are often framed as unforeseen and fundamentally disruptive. However, it is a common mistake to treat these labour market disruptions as entirely novel, as any new technology does not enter a vacuum. In India, it intersects with a labour market long characterised by high levels of informality, uneven regulatory enforcement, and persistent gaps in social protection, conditions that are increasingly visible in the ongoing crisis around gig and platform work. These structural challenges are now being addressed through deliberations surrounding the **Labour Codes**, made effective in November 2025, and are reflected in the **Economic Survey 2025–26** and the **Union Budget 2026.**

Together, these developments mark an important moment in how the Indian state is attempting to respond to the changing nature of work in a technology-driven economy. Technology does not automatically 'fix' structural deficiencies; more often, it builds upon them, sometimes intensifying existing vulnerabilities and regulatory loopholes. It is against this backdrop that this review brings together **three consequential policy instruments:** the Labour Codes, the Economic Survey 2025–26, and the Union Budget 2026. Each plays a distinct role in shaping India's labour landscape through regulatory intent, diagnostic framing, and fiscal prioritisation. Read together, they offer a coherent assessment of how employment, labour, and technological change are currently being conceptualised, and what this implies for workers and the future of work.

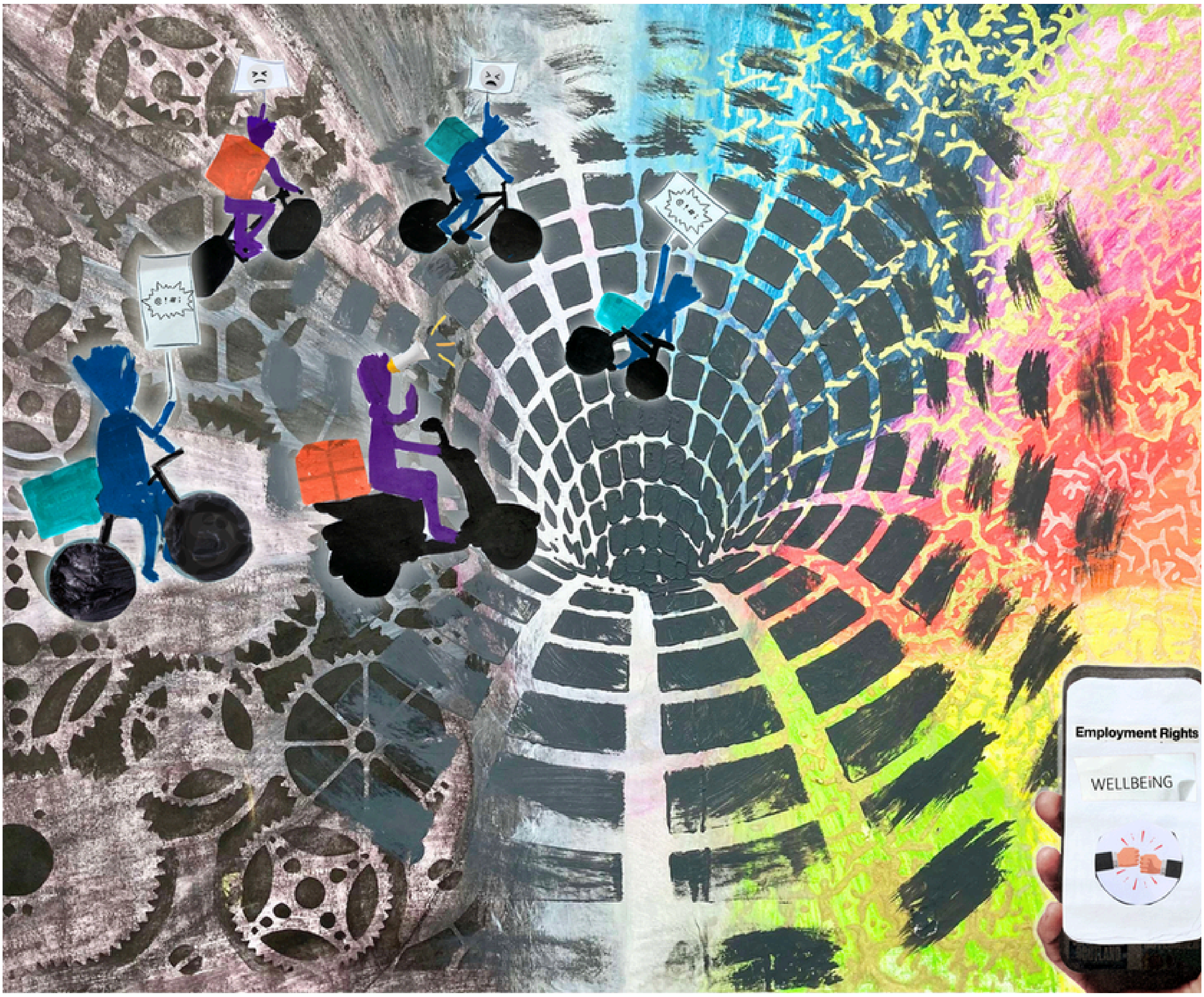



The report moves from broader employment trends to the labour and technology intersection, with growing concerns around job displacement, skill gaps, the expansion of gig and platform work, and the implications of automation. According to **NITI Aayog** estimates, the gig and platform economy in India is projected to employ over 23.5 million workers by 2029–30, and is framed in the Economic Survey 2025–26 as an important driver of economic growth.[1]

This projected growth must be situated in a context where informal work has historically been the norm, and formal, secure employment has remained limited to a minority of the workforce. The Economic Survey and the Budget attempt to grapple with these realities and, in doing so, set the tone for how the technology–labour nexus is likely to be governed in the near future. Analysing these developments together is therefore essential for identifying policy directions, gaps, and areas of uncertainty relevant to policymakers, researchers, industry actors, and civil society.

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

This report narrows down on **gig and platform work**, where digital platforms function as the primary conduit through which work is allocated, monitored, and governed, while the labour itself remains physical and service-based. Rather than resolving pre-existing labour market dysfunctions, platforms often reinforce them, exposing the fault lines embedded in India's political economy of work.[2] While platform work may expand income-generating opportunities on paper, evidence from recent worker mobilisations, strikes, and policy debates points to persistent concerns around working conditions, occupational safety, algorithmic management, income volatility, and access to social security.[3] This is addressed in the Economic Survey's growing emphasis on the **quality**, rather than merely the quantity, of jobs.




*Source : Sophie Valeix & Digit / https://betterimagesofai.org / https://creativecommons.org/licenses/by/4.0/*

*2 See Fairwork, Fairwork India Ratings (2025), https://fair.work/en/ratings/india/.*
*3 For example, see: Kumar, A. and Narayanan, V., The Algorithmic-Human Manager: AI, Apps, and Workers in the Indian Gig Economy (CeRAI, IIT Madras, 2025).*

# Structure of the Report

**Labour Regulation in Transition**
*Labour Codes 2025 and Stakeholder Responses*

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**Review of the Economic Survey 2025-26**
*Employment, Platform Work, AI Ecosystem*

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**The Union Budget 2026**
*A Review*

↓

**What Works, What Is Missing,**
*and What Remains Uncertain*

↓

**Policy Pathways and the Way Ahead**

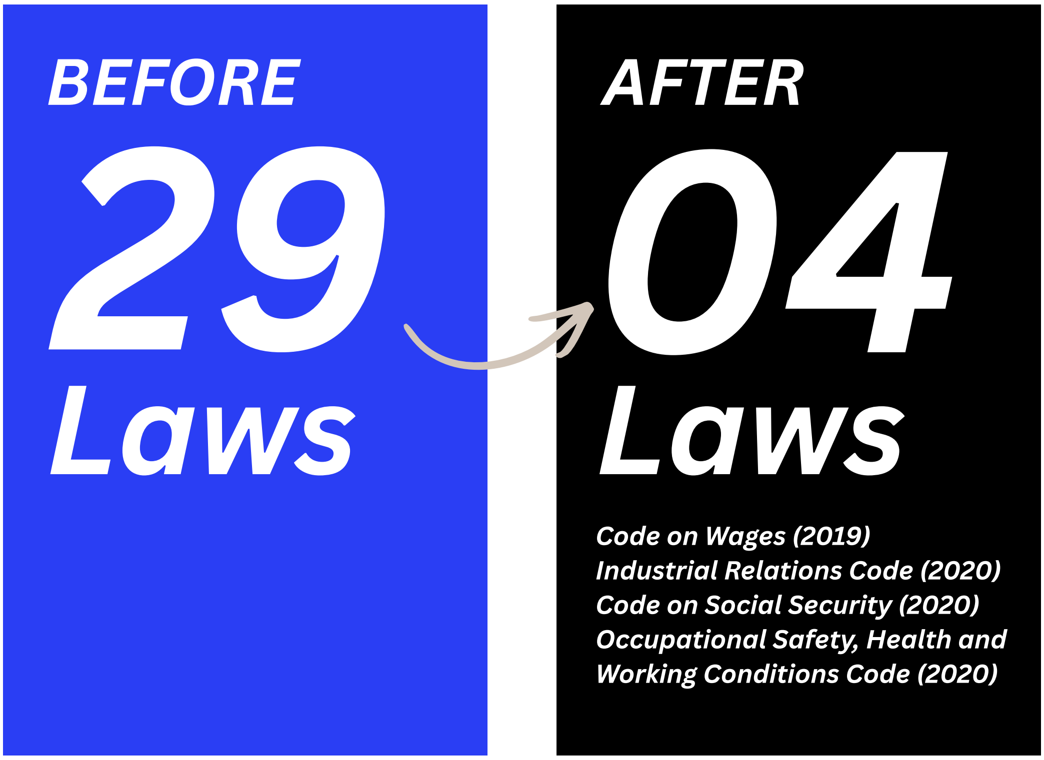
# Notification of Labour Codes in 2025 and Stakeholder Responses

**Background**

India's labour regulatory framework has long been characterised by fragmentation, uneven enforcement, and limited coverage of the majority of workers engaged in informal and non-standard forms of employment. Many labour laws enacted before and immediately after Independence were designed for an economy markedly different from the present one, and have struggled to account for changing employment relationships, growing inter-state labour mobility, and the expansion of digitally mediated work arrangements. As labour falls under the **Concurrent List**, the absence of a unified framework has also resulted in divergent state-level rules, contributing to compliance complexity for employers and uneven access to social security for workers.

These structural challenges have become more visible with the **rapid growth of gig and platform work**, where employment relationships are mediated through digital platforms but remain largely outside traditional employer–employee classifications. Limited formal recognition, lack of uniform social security, and weak grievance redressal mechanisms have intensified debates around the adequacy of existing labour regulation. It is in this context that recent labour codes, made effective from 21 November 2025, sought to modernise regulatory frameworks, ease compliance burdens, and expand the scope of worker protection.


*Source : pinterest.com*




**Labour Codes**

Among the four Labour Codes, the **Code on Social Security (CoSS)**, first enacted in 2020, and made fully effective in 2025, is particularly significant for gig and platform workers. It represents the first national legislation to formally recognise “gig workers” and “platform workers” as distinct categories, providing a legal basis for extending social security benefits such as accident insurance, health coverage, maternity benefits, and old-age protection.

The CoSS forms part of the broader consolidation of 29 central labour laws into four unified codes. After a delay of over five years since parliamentary passage, the government moved towards operationalising these codes. The reforms aim to simplify compliance for employers, standardise wage structures, and widen the social security net, while also decriminalising certain offences by replacing imprisonment with civil penalties for first-time violations.

For gig and platform workers in particular, the CoSS introduces several new mechanisms. It provides for the creation of a Social Security Fund, financed through contributions from central and state governments, corporate social responsibility funds, and penalties collected through compounding of offences. Importantly, digital labour platforms and aggregators are required to contribute between 1–2 per cent of their annual turnover to this fund, capped at 5 per cent of the total payments made to workers. The Code also establishes a National Social Security Board tasked with advising the central government on framing and monitoring welfare schemes for unorganised, gig, and platform workers. Other reforms include mandatory appointment letters, minimum wage payment, timely wages, women’s workforce participation by permitting work at night subject to safety measures.

**e-Shram**, under the Code on Social Security (CoSS), is India's National Database of Unorganised Workers (NDUW), a portal by the Ministry of Labour & Employment to register unorganized sector workers (like construction, migrant, street vendors) for a single digital identity (UAN) to access government social security schemes, welfare benefits, and employment opportunities, acting as a one-stop solution for their empowerment. Registered workers get an e-Shram card and access to insurance and other schemes, connecting them with jobs and financial inclusion. The e-Shram portal (eshram.gov.in) was launched on 26th August, 2021. The government has pushed e-Shram since its inception, and continues to centre it through the Economic Survey 2025-26.

However, civil society organisations such as the Internet Freedom Foundation (IFF)[4] have raised concerns regarding mandatory Aadhaar linkage, digital literacy barriers, access to mobile phones, and bank account requirements. These constraints risk excluding precisely those workers the portal is intended to support, and raise broader questions around consent, data protection, and constitutional safeguards. The calls for provision of offline registration and alternative identification pathways other than Aadhar remain areas of contention.

Parallel to central initiatives, several states have introduced or proposed platform-specific legislation, such as:

- Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023
- Karnataka Platform Based Gig Workers (Social Security and Welfare) Bill, 2025
- Draft Telangana Gig and Platform Workers (Registration, Social Security, and Welfare) Bill, 2025
- Draft Jharkhand Platform Based Gig Workers (Registration and Welfare) Bill, 2024
- Bihar Platform Based Gig Workers (Registration, Safety and Welfare) Act, 2025

Notably, **Karnataka** has emerged as the first state to formally establish a **Welfare Board** for gig and platform workers after the notification of labour codes, marking a significant institutional shift in recognising digital labour within state governance structures. The move reflects growing state-level engagement with issues of income security, health coverage, and grievance redressal for platform workers, particularly in urban service sectors.

**Stakeholder Responses and Unresolved Tensions**

Reactions to the Labour Codes and associated reforms have been mixed.

**Industry** representatives have largely welcomed the codes (see the Industrial Relations Code), citing the potential for easing compliance burdens, supporting formal job creation, and improving business efficiency, particularly for MSMEs and sectors such as IT, where misuse of contract labour arrangements has been flagged. From an investment perspective, the consolidation of labour laws has been framed as a step towards improving India's ease of doing business and attracting foreign investment.[5]

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*4 Internet Freedom Foundation, The e-Shram Portal: An Explainer, https://internetfreedom.in/the-e-shram-portal-an-explainer/.*

*5 Puneet Gupta, "New Labour Codes: Transformative Shifts and Their Implications for India's Workforce and Employers," The Times of India, 26 Nov 2025, https://timesofindia.indiatimes.com/business/india-business/new-labour-codes-transformative-shifts-and-their-implications-for-indias-workforce-and-employers/articleshow/125535278.cms.*

**Trade unions,** however, have strongly opposed the notification of the four Labour Codes, arguing that they prioritise "ease of doing business" over worker welfare. The All India United Trade Union Centre (AIUTUC) and the Centre of Indian Trade Unions (CITU) have described the Codes as anti-labour and pro-employer, raising concerns that they dilute existing protections. Key objections relate to the Industrial Relations Code, which raises the threshold for government approval for layoffs and factory closures to up to 300 workers in some states, thereby reducing job security. Unions have also criticised the expanded definition of strikes and the requirement of prior notice, warning that these weaken collective bargaining. While the Code on Social Security includes gig and contract workers, unions argue that it does not guarantee mandatory or comprehensive social security.[6]

The **State Government of Kerala** has publicly urged the Union government to withdraw the Labour Codes, with the state's Labour Minister characterising them as anti-worker and citing insufficient deliberation with stakeholders prior to notification. Despite framing state-level rules under central direction, Kerala has stated that it will not move towards implementation, highlighting the federal tensions embedded within labour reform (Indian Express, November 27).[7]

Taken together, these regulatory shifts and contested responses underscore the complexity of labour reform in a technology-mediated economy. Whether the concerns raised by workers, states, and civil society are reflected in the government's broader diagnosis of labour market challenges, and how these translate into fiscal priorities, becomes clearer through an examination of the Economic Survey 2025–26 and the Union Budget 2026, which the next sections turn to.

**Shram Shakti Niti: The Policy Foundations of the Labour Codes**

The Ministry of Labour and Employment released the draft Shram Shakti Niti 2025, India's proposed National Labour and Employment Policy, which aims "to build an inclusive, fair, and resilient ecosystem for workers (including women, informal sector workers, and self-employed workers), accelerating India's journey towards a Viksit Bharat by 2047."[8] The policy seeks to integrate all categories of workers—formal, informal, gig, self-employed, and migrant—into a unified digital system governing employment services, benefits delivery, and workplace safety. At the centre of this vision is the National Career Service (NCS), positioned as India's Digital Public Infrastructure for Employment, intended to enable transparent job matching, credential verification, and skill alignment.[9]

While the ambition is significant, it raises critical questions. Large sections of India's workforce continue to face constraints related to internet access, digital literacy, and uneven platform adoption. The policy places strong emphasis on AI-driven job matching and personalised recommendations, yet offers little clarity on the models to be deployed, governance mechanisms, or safeguards against bias and exclusion. As the Ministry reimagines itself as an "employment facilitator" mediated through AI systems, issues of data protection, accountability, and algorithmic transparency remain under-specified. For gig and platform workers in particular, the policy acknowledges their rapid growth and proposes extending social security through a Universal Social Security Account.

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6 See, inter alia, trade union responses to the Labour Codes reported in The Hindu and Indian Express. For example: https://www.thehindu.com/news/national/karnataka/trade-unions-slam-centre-on-four-labour-codes/article70311212.ece

7 "Centre Must Withdraw Labour Codes, Kerala Says," The Indian Express, 27 Nov 2025, https://indianexpress.com/article/india/centre-labour-code-kerala-sivankutty-10389307/

8 Government of India, Ministry of Labour and Employment, Reply to Lok Sabha Unstarred Question No. 1289 on National Labour and Employment Policy (Shram Shakti Niti 2025) (8 Dec 2025), available at https://dge.gov.in/dge/sites/default/files/2026-01/1289-English.pdf

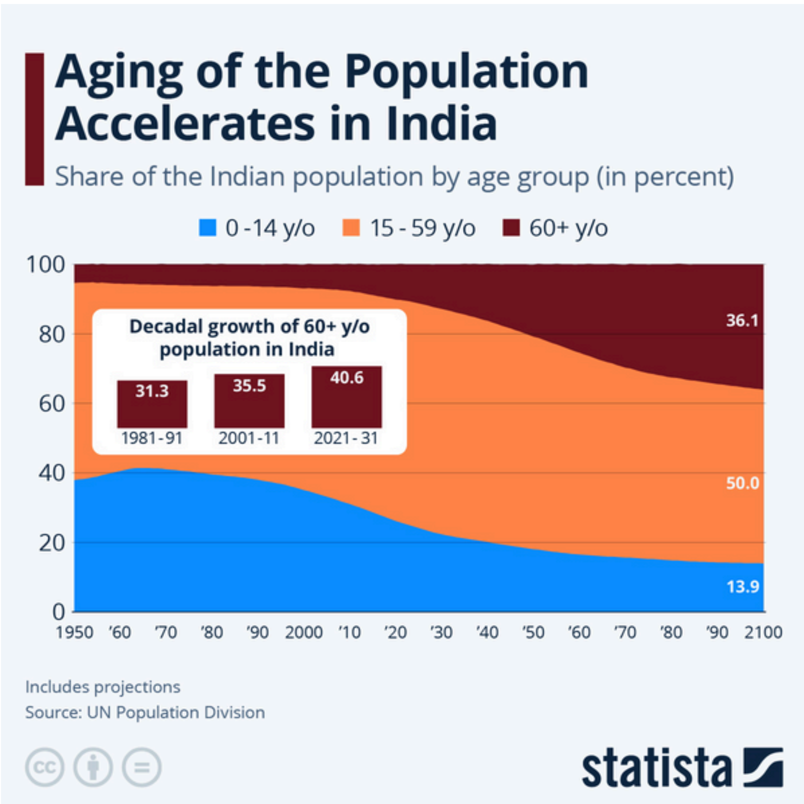
9 Ministry of Labour and Employment, Government of India, Ministry of Labour & Employment invites public feedback on Draft "National Labour & Employment Policy – Shram Shakti Niti 2025" (Press Release, 8 Oct 2025), Press Information Bureau, https://www.pib.gov.in/PressReleasePage.aspx?PRID=2176333

# The Economic Survey 2025–26: Employment, Skilling, and AI

**Employment, Gig, and Platform Work**

The Economic Survey 2025–26, prepared by the Department of Economic Affairs and tabled ahead of the Union Budget, frames employment and skilling as central to India's growth trajectory. Chapter 12, *Employment and Skill Development: Getting Skilling Right*, presents an overall **emphatically optimistic** assessment of labour market trends, citing improving labour force participation rates, declining unemployment, and job creation across both organised and unorganised sectors.

It foregrounds India's **demographic potential**, noting a workforce of over 56 crore today and a working-age population projected to exceed 98 crore in the next decade, with the demographic dividend expected to peak around 2030. At the same time, the Survey acknowledges longer-term shifts such as **ageing population** and identifies digitalisation, the green energy transition, and emerging forms of employment, including **gig and platform work**, as key drivers reshaping labour markets. This framing firmly positions labour market transformations as an **opportunity**, setting the tone for the Survey's subsequent policy prescriptions.




Against this backdrop, the Survey emphasises a post-pandemic shift from a focus on the **quantity** of jobs to the quality of employment, highlighting the need for sustainable livelihoods, inclusive labour markets, and human capital development through skilling. While this is a timely and relevant intervention, the excessive focus on skilling subtly narrows the policy lens toward supply-side solutions.

India's labour market is undergoing a **structural transformation** shaped by technological change. A key **analytical contribution** of the Survey is its differentiation between forms of work based on the nature of employer attachment, mode of remuneration, working hours, and entitlement to benefits. By mapping regular, casual, self-employed, fixed-term, and gig/platform workers across these parameters, the Survey shows that gig and platform work occupies a persistently informal position despite being mediated by formal digital infrastructure.

Drawing on the **ILO's definition of gig work** as "short-term, task-based or project-based work, often mediated through digital platforms," the Survey acknowledges both the opportunities and risks associated with this model. While gig work may offer flexibility for workers balancing caregiving responsibilities, education, or multiple income sources, it is also associated with income volatility and weak labour protections. A significant share of workers earn **less than ₹15,000 per month**, face limited access to formal credit, and remain excluded from broader financial systems. Algorithmic management increasingly governs work allocation, performance evaluation, and earnings, raising concerns around opacity, bias, and worker burnout. These risks are acknowledged, but not substantively interrogated, within the Survey's broadly optimistic opening on employment.

It is in this context that the Survey positions the **Code on Social Security (CSS)** as a pivotal regulatory intervention. The recently notified Labour Codes are positioned as a foundational step in labour market transformation, intended to balance regulatory protection with flexibility, improve ease of doing business, and support formalisation. By formally defining a gig worker as "a person who participates in a work arrangement and earns from such activities outside of a traditional employer–employee relationship," the Code brings gig and platform workers within the ambit of labour law for the first time. The Survey highlights provisions such as the formal recognition of gig and platform workers, the expansion of portable social security through mechanisms like **e-Shram**, simplified compliance for firms, and measures aimed at increasing women's workforce participation through night work arrangements subject to workplace safeguards.

Moreover, the Survey cautions against treating gig workers as a homogeneous group. It highlights significant skill-based segmentation, projecting that by 2030, 27.5 per cent of gig workers will be high-skilled, while 33.8 per cent will remain low-skilled. Distinguishing between workers who **voluntarily** opt into gig work and those compelled by **necessity**, the Survey argues that policy should aim to make gig work **a choice rather than a compulsion**, primarily through upskilling, asset access, and income-stabilisation mechanisms. This is an important note as several research studies have pointed to the current 'gig-work' trap[10] in India. Unlike in western societies, where gig and platform work may be supplemental income, in India, it is forced labour due to the lack of alternative secure models.

Notably, policy responses in the Survey are largely framed around **supply-side** interventions, attributing employment challenges to skill gaps and workforce preparedness, placing limited emphasis on **demand-side job creation**, firm hiring practices, wage levels, or the structural quality of work beyond skilling. This asymmetry shapes the Survey's implicit endorsement of gig and platform work as a scalable employment solution, even as questions around job quality, regulation, and worker protection remain to be examined in greater depth, beyond superficial signposting.

*10 Primus Partners (2026). Unlocking the Future: How to Enable 23.5 Million Indian Youth to Use Gig Work as a Stepping Stone. Primus Partners, New Delhi.*

Source : Jamillah Knowles & Digit / https://betterimagesofai.org / https://creativecommons.org/licenses/by/4.0/

**Jobs in the AI Ecosystem**

Chapter 14 of the Economic Survey, *Evolution of the AI Ecosystem in India: The Way Forward*, offers a notably restrained and evidence-driven assessment of AI's labour market implications. In contrast to dominant public narratives that oscillate between alarmist predictions of mass job displacement and uncritical techno-optimism, the Survey explicitly acknowledges that AI's employment effects remain **a grey area**, shaped by uncertainty, uneven adoption, and sector-specific dynamics. This refusal to participate in technological hype or panic is one of the chapter's strongest contributions.

Drawing on emerging empirical evidence from advanced economies, the Survey notes that **large-scale labour market disruption attributable to AI has not yet materialised**. Studies from the United States and Europe suggest that differences in employment outcomes between occupations with high and low AI exposure remain modest in the near term, with several sectors experiencing labour complementarity rather than substitution. For labour-abundant economies such as India, this evidence provides some reassurance that AI adoption is unlikely to trigger immediate, economy-wide displacement.

At the same time, the Survey is careful to caution against complacency. It underscores that productivity gains from AI-enabled augmentation are not limitless, and that the labour impacts of new technologies tend to unfold gradually rather than as sudden shocks. Using the United States' professional, business, and information services sector as an early signal, the Survey identifies a structural shift in employment dynamics following the heightened salience of generative AI after 2022. While employment levels did not collapse, the responsiveness of employment growth to output expansion weakened, suggesting a gradual decline in the labour intensity of growth under a new technological regime. This framing shifts the focus from binary questions of job loss toward subtler changes in **how growth translates into employment**.

The Survey's analysis is particularly valuable in highlighting that uncertainty itself is a defining feature of the current AI transition. Firms face incomplete information about AI's capabilities, costs, and risks, leading to cautious, uneven adoption patterns. As with previous automation waves, early stages of diffusion appear to involve **organisational restructuring and task reallocation that temporarily complement labour**, with substitution pressures emerging only once technologies mature and markets saturate. Policy risk, therefore, lies not in sudden disruption but in delayed and nonlinear adjustment.

Beyond employment effects, Chapter 14 also situates AI within shifting global power structures. Increasing concentration of control over data, compute, models, and standards raises concerns around technological dependence and market power, particularly for countries like India whose **IT sector** has historically relied on **labour-intensive service** provision. Without deliberate policy intervention, AI diffusion risks eroding existing comparative advantages rather than upgrading them.

Importantly, the Survey moves the discussion **beyond white-collar automation** by drawing attention to understaffed, high-skill, human-centric occupations outside conventional digital workspaces. Sectors such as healthcare, geriatric care, skilled trades, education, and experiential services are identified as significant but underexplored sources of future employment, especially in the context of **demographic ageing**. This emphasis reinforces a central insight of the Survey: that AI's labour market outcomes are not technologically predetermined, but institutionally and politically shaped.

# Jobs and Labour in the Union Budget 2026

As a starting point, the references to employment in the Finance Minister's Union Budget 2026 Speech are limited and primarily routed through the announcement of a High-Powered **Education to Employment and Enterprise Standing Committee,** positioned as a mechanism to strengthen the services sector as a core driver of growth, exports, and employment. The committee's mandate includes assessing the impact of emerging technologies, including artificial intelligence, on jobs and skill requirements, and recommending corresponding policy measures (Budget Speech, 2026).

The Budget's emphasis on the **services sector** is reinforced through targeted references to specific domains such as healthcare, care work, tourism, medical value tourism, AYUSH, education, sports, heritage and cultural industries, and the so-called "orange economy." Within this, the AVGC (Animation, Visual Effects, Gaming and Comics) sector receives particular attention, with proposals to support content creator labs across secondary schools and colleges through the Indian Institute of Creative Technologies. These interventions signal a recognition of **services-led employment generation,** especially in cultural, creative, and care-intensive sectors, rather than a singular focus on **manufacturing-led job creation**.

However, beyond these announcements, allocations for the Ministry of Labour and Employment remain virtually unchanged at **₹32,666 crore,** despite this being the **highest-ever** outlay for the ministry. Revised estimates indicate that a significant proportion of labour-related allocations in the previous year, over **60 per cent,** remained **unutilised,** particularly under central sector schemes related to employment services, vulnerable worker support, and labour market infrastructure. This persistent gap between allocation and expenditure raises questions about **institutional capacity and implementation effectiveness,** rather than fiscal commitment alone.

A major headline intervention in the Budget is the **Pradhan Mantri Viksit Bharat Rozgar Yojana (PM-VBRY)**, a new flagship employment incentive scheme aimed at promoting job creation across sectors, with a stated focus on manufacturing, MSMEs, and rural enterprises. The scheme has been allocated over **₹20,000 crore** in the current financial year, as part of a larger outlay of nearly ₹1 lakh crore over its implementation period. While ambitious in scale, the scheme follows the familiar **incentive-based approach to employment generation** and replaces earlier programmes that themselves saw extremely low utilisation. The extent to which PM-VBRY can deliver sustained, quality employment—rather than short-term formalisation incentives—remains to be seen.

Notably, the Budget does not introduce any dedicated allocations for the operationalisation of the **Code on Social Security**, despite the formal recognition of gig and platform workers under the notified labour codes. Trade unions and worker organisations have flagged the absence of provisions addressing income stability, occupational safety, social security coverage, or minimum earnings for gig and platform workers, even as this segment now forms a significant part of India's urban services economy (The Hindu, 2026).[11] The continued reliance on legislative recognition without corresponding budgetary backing risks reinforcing a gap between regulatory intent and material protection.

Post-Budget analysis further suggests a major emphasis on supply-side economic management, with limited attention to demand-side employment generation or wage growth. Persistently low inflation rate, for a developing economy like India can be a signal of economic weakness suggesting a low consumer demand. Similarly, subdued **private investment** is also linked to low demand, potentially as Indians, especially the youth, face high unemployment and low wages.

Taken together, the Union Budget 2026 signals continuity rather than departure in its approach to employment. While it acknowledges services, skilling, and technological change as central to India's growth story, its labour interventions remain fragmented, and weakly anchored in questions of job quality and worker protection, though adequately raised by the Economic Survey 2025-26. The gap between the Economic Survey's diagnostic ambition and the Budget's fiscal follow-through remains a defining feature of the current landscape.

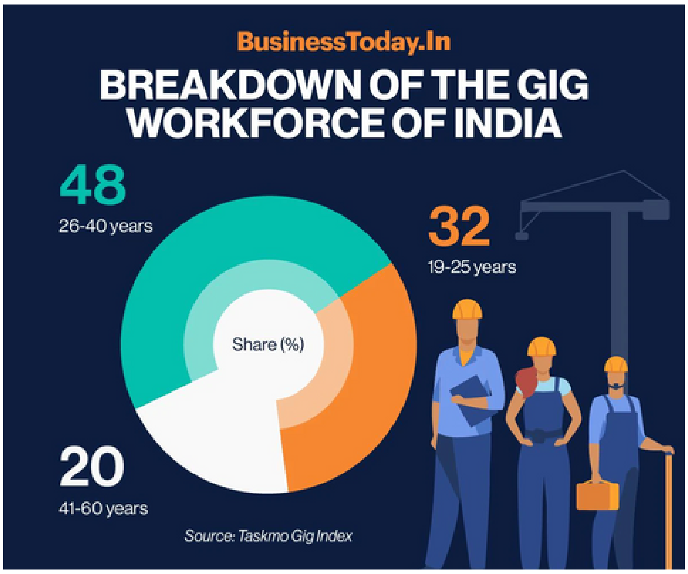
*11 The Hindu, "Union Budget 2026:Allocation for Labour Ministry intact; Budget ignored unemployment, say trade unions" (2 Feb 2026). https://www.thehindu.com/business/budget/union-budget-2026-allocation-for-labour-ministry-intact-budget-ignored-unemployment-say-trade-unions/article70579559.ece.*

# What Works, What Is Missing, and What Remains Uncertain ?

The Economic Survey performs a valuable diagnostic role in identifying the evolving relationship between labour, technology, and demographic change in India. However, many of its analytical insights are only weakly translated into fiscal priorities in the Union Budget. While the Survey, Budget, and recent labour policy initiatives respond to parts of the existing regulatory discourse, they also sidestep several hard questions, particularly on job quality, social protection, and platform-mediated work. This section is an attempt to assess these policy instruments and point to convergence, gaps, and unresolved uncertainties in India's tech-mediated labour market.

A key strength of the Economic Survey is its explicit emphasis on the **quality** of jobs, situated within India's shifting **demographic profile**. India has long and continues to leverage its young population. Before technological debates became mainstream, young people and humans had been in the centre of the loop of every economic growth story. While the young workforce has translated to surplus labour—fueling outsourcing, manufacturing, and services—the Survey flags an impending demographic transition towards an **ageing population**. In this context, it introduces the idea of a **longevity dividend**: the economic and social gains that arise from longer, healthier, and more productive working lives. Importantly, the Survey acknowledges that realising this dividend will require targeted interventions for informal and unorganised workers, including preventive healthcare and age-friendly work arrangements. This shift in demographic landscape, and the need for urgent focus on longevity is directly tied to the importance of quality of jobs.

However, at least in the case of gig and platform work, otherwise posed as central to employment growth, the Budget falls short of operationalising this insight. Evidence suggests that **gig workers are overwhelmingly young**—often entering the workforce between 18 and 25 years—with limited capacity to save or plan for old age. The 2026 Primus Partners report suggests that the largest number of respondents in their gig work study belonged to the age group of 22–25 years. Typically, gig workers **begin their careers at 18–19 years**.[12]




*Source: https://www.businesstoday.in/industry/top-story/story/india-inc-increasingly-need-gig-workers-looks-at-tier-23-cities-report-337779-2022-06-15*

*12 Primus Partners (2026). Unlocking the Future: How to Enable 23.5 Million Indian Youth to Use Gig Work as a Stepping Stone. Primus Partners, New Delhi.*

If current conditions persist, gig and platform work appears unsustainable in the long term: one, because of the conditions and nature of this work, and, second, because young people currently form the majority of this workforce. As the population ages, these labour dynamics will transform. This directly contradicts the Survey's emphasis on longevity and job quality. Without social security or pensions, informal workers tend to work well beyond formal retirement age, often until physically unable. In a future with a shrinking youth population, the absence of worker protections will severely constrain India's ability to harness a longevity dividend. Despite repeated references to social security for gig workers under the **Code on Social Security**, including the creation of a dedicated **Social Security Fund** with contributions from governments and platforms, no concrete budgetary allocations have been seen so far.

**An Alternative Perspective: Lived Limits of Platform Work**

On February 1, 2026, the day the Union Budget was presented in Parliament, **Khoj Studios** hosted a symposium titled *Notes from the Digital Underground* at the Goethe-Institut, New Delhi. During a panel on gig work, Australian artist David Brazier presented a short film project based on fieldwork and video interviews with quick-commerce food delivery workers in New Delhi, India.

Reflecting on his daily schedules, physical strain, and income uncertainty, one worker remarked that it would be impossible for a person to continue doing this kind of work for 30 to 40 years, a grim reality with a lack of alternative choices.

This observation offers a grounded counterpoint to policy narratives that frame gig and platform work primarily through flexibility, skilling, or short-term employment generation. It raises a fundamental question for labour policy: whether existing models of platform work are compatible with long-term livelihoods, worker wellbeing, and the aspiration of a longevity dividend.

*Source : Instagram : Khoj Studios*

The Economic Survey correctly acknowledges the ambiguous nature of gig work in India. Unlike many Western contexts where gig work is often supplemental, in India it frequently represents the primary or sole source of income. As a result, arguments against extending full labour protections on the grounds of flexibility or part-time status do not hold. For many workers, gig work is less a matter of choice than necessity, undermining claims of autonomy embedded in platform narratives.

This raises a **critical policy dilemma**. Should policy prioritise pathways that enable workers to exit gig work through upskilling and upward mobility? Or should it recognise the structural permanence of platform work in India and instead extend full-time–like protections within it? The Economic Survey remains ambivalent: it celebrates the gig economy as a growth engine while simultaneously emphasising skilling without addressing demand-side realities or labour absorption.

The policy landscape also reveals a deeper paradox between **supply-side** and **demand-side** approaches to employment. Across the Survey, Budget, and regulatory developments, skilling is positioned[13] as the primary solution to employment challenges as well as increasing job quality. While skills development is necessary, its dominance risks shifting responsibility away from the state and employers. In the absence of sufficient good-quality jobs, platforms such as the National Career Service lose policy relevance. The core constraint may not be employability alone, but the limited availability of secure jobs with adequate wages, protections, and working conditions, factors that are equally critical for productivity and long-term labour participation.

While the Economic Survey continues to foreground labour codes and the e-Shram portal as flagship interventions, serious questions around implementation, accountability, and evaluation remain unanswered. Despite years of operation, there is limited public information on audits, outcomes, or operational challenges associated with e-Shram, even as concerns around Aadhaar-linked exclusion, data protection, and surveillance persist. Similarly, outsourcing—central to platform work in India—remains under-theorised as a policy issue, particularly with respect to transnational governance and supply-chain responsibility. Across types of platform work, firms in the west operate through local subsidiaries. The introduction of supply-chain transparency and disclosure obligations is, therefore, urgent.

Finally, the Survey's cautious and evidence-based treatment of AI and employment (Chapter 14) is a welcome departure from alarmist narratives. Its call for sector-specific research and attention to structural change provides a useful foundation. Whether this analytical clarity translates into enforceable labour protections and fiscal commitments, however, remains to be seen.

*13 Primus Partners (2026). Unlocking the Future: How to Enable 23.5 Million Indian Youth to Use Gig Work as a Stepping Stone. Primus Partners, New Delhi.*

# Conclusion: Policy Pathways and the Way Ahead

This report has examined India's evolving labour landscape by reading three key policy instruments together: Labour Codes, the Economic Survey 2025–26, and the Union Budget 2026. Taken collectively, these instruments reflect a growing recognition of technological mediation, demographic transition, and the centrality of services-led and platform-mediated work to India's employment future. At the same time, the analysis reveals persistent gaps between diagnosis and delivery, particularly in translating concerns around job quality, longevity, and worker protection into fiscal and institutional commitments.

Several policy pathways emerge. **First** and foremost, job quality must be elevated as a core policy objective, rather than treated as a downstream outcome of skilling. For gig and platform workers—many of whom rely on such work as their primary source of income—this requires moving beyond skilling-centric models towards enforceable social security, income stability, and wellbeing frameworks that support long working lives. Policymakers should focus on formulating a job quality framework appropriate for the Indian context.

An example of an employment quality framework can be taken from the United Nations Economic Commission for Europe (UNECE) which defines job quality through seven key dimensions, covering safety, income, working time, security, social dialogue, skills, and motivation. It uses 68 indicators to measure the subjective and objective aspects of work, assessing worker well-being, such as written contracts, income levels, and work-life balance.


*Source: https://unece.org/statistics/quality-employment-framework*

**Second**, demographic foresight must inform labour policy. As India transitions from a youth-heavy workforce towards an ageing population, early investments in health, social protection, and age-appropriate work arrangements will be critical to realising a longevity dividend, particularly for informal and platform workers.

**Third**, labour institutions must be operationalised and evaluated. The Labour Codes require continuous assessment, transparent rule-making, and structured stakeholder consultation, especially with trade unions and states. Similarly, the e-Shram portal and the National Career Service must be subjected to independent audits assessing inclusion, data governance, algorithmic transparency, and both short-term and long-term labour market outcomes.

**Fourth**, as the Economic Survey suggests, gig and platform work cannot be treated as homogeneous. Hence, blanket rules are not applicable. Policymaking for worker protections, minimum wage thresholds, and welfare schemes should be informed by targeted research on granularities across sectors, skill-levels, location, and type of work.

**Finally**, future research on the impact of AI on jobs must remain sector-specific and grounded in lived realities. Priority areas include longitudinal studies on gig work as necessity versus choice, mobility pathways within and beyond platform work, the effectiveness of central skilling initiatives in enabling durable employment, and the differentiated impacts of AI and automation across sectors.

Together, these steps are essential if India’s labour policy is to move from ambition to implementation, ensuring that technological change, economic growth, and social justice advance in tandem.

Future Shift Labs

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