



LEGAL PROTECTION FOR WORKERS GIG ECONOMY IN THE PLATFORM ECONOMY ERA

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ABSTRACT

This research focuses on a juridical analysis of the conformity of Indonesia's labor law framework in providing protection for workers in the gig economy sector, particularly those working through digital platforms. The method used is normative juridical research with a legislative approach and literature study on legal literature, international reports, and relevant jurisprudence. The research results show that Indonesian labor regulations, such as Law Number 13 of 2003 and the Job Creation Law, have not been able to reach new forms of work relationships that are flexible but have a structural dependency on platform companies. The absence of formal legal recognition for digital workers has created a void in social and employment protections, and has strengthened the dominant position of corporations through opaque algorithmic regulations. The implications of these findings underscore the importance of reformulating labor laws to be more adaptive, substantive, and contextual, in order to ensure distributive justice and the rights of digital workers in the era of technology-based economies.

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1. INTRODUCTION

The rapid development of digital technology has initiated a paradigm shift in the structure of the global labor market, creating systemic disruption to conventional work patterns (Apriyanto, 2022; Muslim, 2021). One of the most striking forms of this transformation is the emergence of the gig economy, which is an economic system based on flexible and short-term work mediated by digital platforms (Nasution et al., 2025; Rini, 2025). This phenomenon has transformed the work orientation from a fixed industrial relations model to an on-demand work pattern, thereby causing structural implications for the existence of formal work relations that have long been the basis of labor law.

In the national context, Indonesia is not exempt from this wave of transformation. The emergence of various digital platforms such as Gojek, Grab, Shopee, and Tokopedia has become a catalyst for changing employment models by recruiting millions of workers within the framework of non-formal and temporary work relationships. This new work ecosystem, which operates outside the scope of classical industrial relations, indicates the emergence of a new configuration in the national labor market that has not yet been fully accommodated within the existing legal regulations. Thus, the urgency to formulate an adaptive legal framework that is responsive to the dynamics of the gig economy becomes increasingly relevant, especially in ensuring legal certainty and protection of rights for digital workers in the platform economy era.

Empirically, the existence of the gig economy in the field reflects a complex and paradoxical employment dynamic (Permana & Izzati, 2023). Digital workers such as ride-hailing drivers, logistics couriers, and freelance service providers based on applications do not have formal employment relationships with the platform companies that mediate their economic activities. The concept of the employment relationship constructed within the framework of "partnership" legally places workers in a position of legal ambiguity, which ultimately creates vulnerability to violations of basic labor rights.

The absence of job status certainty causes these workers to be excluded from the national social security scheme, to not receive protection for occupational safety and health (OSH), and to lack guarantees for fair and decent wages. In practice, these fragmented work relations are exacerbated by the dominance of algorithmic control systems run by digital companies. The algorithm not only functions as an automatic managerial instrument but also implicitly controls the intensity and direction of work, which in turn weakens the bargaining position of workers and opens up space for latent yet systemic exploitation practices.

The reality of labor relations in the gig economy fundamentally indicates a conceptual and normative disparity between the conventional labor law system and the increasingly evolving dynamics of digital work (Novemyanto & Nur, 2025). Regulatory orientation that still relies on the paradigm of permanent and structural employment relationships is no longer adequate in addressing the challenges of platform-based flexible work. This discrepancy reflects an epistemological disjunction between the existing legal framework and the complexity of contemporary work relations, which are increasingly fluid and decentralized.

Therefore, the urgency to reformulate legal policies becomes a necessity. Regulatory reorientation is necessary to build an adaptive, inclusive, and responsive labor protection system to the new configuration of digital work relationships. This step aims not only to guarantee the basic rights of digital workers but also to uphold the principles of social justice and strengthen legal legitimacy in facing the transition to a technology-based economy.

Several previous studies have attempted to examine the impact of the emergence of the gig economy. Hasibuan et al., (2025), state that workers in this ecosystem do not meet the legal criteria as formal workers, thus they do not receive protection from the conventional labor law system. Meanwhile, Ibrahim et al., (2023) highlight the importance of redefining the concept of employment relationships in the context of the digital economy in Indonesia. Putra et al., (2024) also emphasize the need for the state's role in establishing minimum legal protection standards for digital workers.

Although several studies have highlighted the weak protection for gig workers, there has yet to be a comprehensive evaluation of the national labor law system's response from a normative and legal perspective. This gap indicates a lack of analysis regarding the adequacy of existing regulations in addressing the structural challenges of the gig economy, where previous studies have tended to be descriptive without offering a solution-oriented legal framework.

This research presents novelty in three main aspects: (1) using a progressive normative approach that combines labor theory with a human rights perspective; (2) elaborating on specific legal challenges in the context of the dichotomy between formal work and algorithmic partnerships in Indonesia; and (3) offering reformist and contextual legal policy recommendations.

The main objective of this research is to critically analyze Indonesia's legal response to the dynamics of employment in the gig economy, as well as to formulate fair and inclusive regulatory strategies. This research is important to prevent the structural marginalization of digital workers and to ensure that technological transformation remains in line with the principles of human rights protection in the workplace.

2. RESEARCH METHODS

This research uses a normative juridical method, which is a legal research approach that focuses on the analysis of applicable written legal norms, in order to examine the extent to which labor regulations in Indonesia can provide protection for workers in the gig economy sector. This method is used to evaluate the compatibility between existing positive law and the dynamics of modern labor relations shaped by the platform economy. The approach used includes an examination of various national regulations, such as Law Number 13 of 2003 on Employment, Law Number 6 of 2023 on Job Creation, and their implementing regulations, along with a review of relevant international regulations and jurisprudence. Data in this research were obtained through library research, by examining academic literature such as legal journals, textbooks, scientific articles, reports from international organizations like the ILO, as well as case studies of work practices implemented by digital platform companies. This analysis aims to identify the gap between legal norms and field practices, as well as to formulate legal recommendations that are more adaptive to technological developments and changes in work structures in the digital era.

3. RESULT AND ANALYSIS

The Condition of Gig Economy Workers in Indonesia

In the context of Indonesian labor law, the reality of work in the gig economy sector reflects a shift in industrial relations from the traditional contract-based model to a non-formally constructed relationship pattern (Novemyanto & Nur, 2025; Simbolon, 2025). The majority of digital workers, such as online motorcycle taxi drivers, instant couriers, and other freelancers, are systematically classified by platform companies as business partners, not as employees. The construction of this pseudo-relation provides legal legitimacy for digital corporations to avoid the normative responsibilities inherent in formal employment relationships. As emphasized in the study by Todoli-Signes (2017), the strategy of classifying workers as independent contractors is a form of regulatory arbitrage aimed at avoiding the burdens of protective labor laws (Todoli-Signes, 2021).

The implications of establishing the status as a business partner are multidimensional. Gig workers *de facto* lose access to social protection guarantees that should be universal, such as BPJS Health and Employment, accident insurance, pension guarantees, as well as the right to leave and decent working hours. In addition, they are also not protected by minimum wage provisions and do not have mechanisms for protection against unilateral termination of employment. In fact, Law Number 13 of 2003 on Manpower explicitly states that every worker is entitled to equal legal protection, without discrimination based on the form of employment relationship (Putri et al., 2022). This disparity indicates the state's attitude towards new forms of work emerging from the digital economy.

Empirical findings from the study by Mas & Ningsih (2022) reinforce the conclusion that gig workers often operate under subordinate conditions controlled by the platform company's algorithmic systems. This control includes performance evaluation, rate setting, as well as the provision of incentives or penalties that are applied automatically. In Indonesia, a study by Firdasanti et al. (2021) shows that most online motorcycle taxi drivers rely on the platform as their main source of income, with an average working hour exceeding 8 hours per day. This condition proves the high economic dependence on the company, which substantially meets the elements of an employment relationship as defined in Article 1, paragraph 15 of the Labor Law, namely the existence of work, wages, and orders (Darmawan, 2021).

Thus, although gig workers are not legally categorized as formal workers, substantively they are in the same position of economic and functional subordination as permanent workers. This phenomenon underscores the importance of revising the national labor law framework to be more adaptive to changes in the digital labor market structure. A legal approach based on the substance of work relations, rather than merely formal legal status, becomes an essential solution in ensuring distributive justice and equitable social protection for all forms of workers in the era of economic platformization.

Legal Gaps in Employment Regulation

Until now, Indonesia does not yet have a positive legal construct that explicitly and adaptively regulates employment relationships in the context of the rapidly growing gig economy in the digital era. Law Number 13 of 2003 on Manpower and Law Number 6 of 2023 on Job Creation are still oriented towards the paradigm of conventional formal employment relationships, namely employment relationships that are permanent, hierarchical, and based on written contracts. As a result, the dynamics of demand-based work relations through digital platforms have not yet been fully accommodated within the national labor law framework. This phenomenon indicates the presence of a regulatory lag, namely the delay in legal adaptation to socio-economic changes due to technological innovation (Maulana, 2021).

Efforts to fill the regulatory gap have actually emerged, one of which is the proposal of the Draft Law (RUU) on the Welfare of Digital Workers that has been discussed since 2022 (Djufri, 2022). However, until now, the bill has not undergone the final legislative process. The absence of this substantive legal product has created a legal vacuum that has led to uncertainty in the legal status of digital workers, particularly regarding the certainty of rights, obligations, and protection against potential work vulnerabilities. The lack of clarity weakens the bargaining position of workers in front of platform companies and has the potential to perpetuate structural inequalities between capital interests and labor rights.

Findings from the field study conducted by Aryaputri et al., (2023) indicate that the employment relationship schemes in digital platforms tend to be unilaterally structured by companies by defining workers as partners. This status is used as a legal instrument to avoid normative obligations such as the provision of social security, occupational accident protection, and minimum wage payment. In practice, gig workers actually face intensive workloads and unlimited working hours without legal limitations, due to unilateral algorithmic regulation. This is in line with the research by Rambe & Irwansyah (2024), which identifies that digital control over the workforce leads to the emergence of a new form of covert but systematic exploitation.

Table 1. Synthesis of Empirical Findings

Aspect	Research Findings	Impact	Analysis
Employment Status	Workers categorized as "partners," not employees	No guarantee of formal contracts or structured work systems	This status is exploited by corporations to avoid legal labor responsibilities
Social Protection	No access to BPJS, work insurance, or pensions	High economic and health vulnerability	Despite working full-time, they do not meet the criteria of formal workers
Wages and Working Conditions	No guarantee of minimum wage or work-hour restrictions	Potential for work hour exploitation and low wages	Algorithmic control weakens state legal intervention
Economic Dependency	Full dependency on one platform	No income guarantees or diversification	Meets the elements of a substantive employment relationship: work, command, and wages
National Legal Framework	Labor Law & Job Creation Law are not accommodating	No specific legal protections	The legal orientation remains conservative and not digital-ready
Digital Worker Bill	Not yet legislated	Legal vacuum and uncertainty of rights	Lack of regulations widens the gap for labor exploitation
Platform Work Scheme	Unilaterally arranged by the company	One-sided contract with minimal transparency	Requires a digital-based labor oversight system
Key Challenge	No new legal classification for digital workers	Limited access to legal protection	A reformulation of laws based on substantive employment relationships is needed

The condition emphasizes that the reformulation of labor law based on the principle of adaptive labor law has become very urgent. Future laws must be able to recognize new forms of work that are not bound by formal employment relationships but substantively show structural and economic dependence. This conception aligns with the decent work approach of the International Labour Organization (ILO), which places social security, job security, and rights protection as indicators of dignified work, regardless of the legal form of the employment relationship.

Legal Policy Recommendations

In facing the complexity of labor relations arising from the development of the gig economy, Indonesia's labor law system is demanded to undertake reformist and contextual updates. The reform in question refers to the need for a paradigm shift in labor law, which has been rigid towards the existence of non-formal and flexible work forms. Meanwhile, a contextual approach is necessary to ensure that regulations can respond to the socio-economic dynamics of digital workers who operate in a dependency relationship with platforms, even though they are not legally recognized as workers in formal employment relationships.

One of the strategic agendas that needs to be pursued is the conceptual redefinition of employment relations in national legislation. The definition should ideally use a substantive approach, emphasizing the essence of the employment relationship rather than merely the administrative status or the formalistic form of the contract. In this context, three main elements namely the existence of work activities, the provision of compensation or remuneration, and the form of subordination should be the primary indicators in determining the status of the employment relationship, as recommended in ILO Recommendation No. 198 of 2006. This approach is important for building an inclusive, adaptive, and responsive labor law framework to the transformation of the digital labor market (Hamid, 2021).

Furthermore, the Government needs to expedite the legislative process for the Draft Law on Digital Workers' Welfare, which has been initiated in response to changes in the labor market structure. This law must explicitly recognize the existence of digital workers as legal subjects of employment, establishing minimum protection standards such as the right to social security, reasonable working hours, leave, and protection against unilateral termination. Additionally, as various forms of hybrid work evolve, legal policies also need to develop new legal classifications such as "semi-independent workers" or dependent contractors, as has been implemented in several countries like Spain and Canada (Wu et al., 2025). This category aims to accommodate the reality of gig workers who work flexibly but have structural and economic dependence on a single platform.

Another aspect that needs normative intervention is the digital control mechanism operated through algorithms by platform companies. The state must encourage the implementation of the principles of algorithmic transparency and algorithmic accountability, so that performance evaluation systems, termination of employment, or tariff setting do not occur unilaterally without legal oversight. In this regard, Indonesian labor policies need to adopt an approach that is beginning to develop in the European Union, such as in the EU Platform Karar et al., (2025) which mandates transparency of algorithmic systems to workers. Furthermore, to address potential disputes that may arise, it is necessary to establish an independent and technology-based digital labor dispute resolution institution, capable of handling conflicts between gig workers and platform companies fairly, efficiently, and based on digital evidence.

Finally, all forms of new legal policies in the digital employment sector must prioritize the principle of Human Rights. This approach positions digital workers as subjects entitled to decent work, social security, and legal protection without discrimination based on the form of work. The ILO's decent work principle can serve as both an ethical and legal reference in building a regulatory system that not only supports the growth of the digital economy but also ensures distributive justice and social cohesion. Without reformist and contextual legal intervention, the growth of the gig economy in Indonesia is at risk of developing exploitatively and creating a new class of workers who are excluded from state protection.

4. CONCLUSION

This research reveals the fact that gig workers in Indonesia, although not legally categorized as formal workers, essentially exhibit characteristics of a substantive employment relationship, namely the presence of work, wages, and subordination. These findings highlight a serious gap between labor law norms that are still oriented towards conventional work models and the reality of digital work, which is flexible but heavily dependent on platforms. An important lesson that can be drawn is the need to rethink the overly formalistic approach to labor law and shift to an adaptive model that places the essence of the employment relationship as the basis for legal protection. Theoretically, this enriches the legal discourse by emphasizing the importance of a substantive approach, while practically, it paves the way for the formulation of more inclusive and fair protective policies for workers in the digital economy era.

The main strength of this research lies in its contribution to highlighting the regulatory gaps in labor laws concerning gig workers, as well as offering a new legal framework based on the principles of adaptive labor law and decent work. This research not only confirms the disparity in legal protection for digital workers but also proposes a new legal classification such as "semi-independent workers" and the need for algorithm transparency as part of labor protection. In the scientific context, this research enriches the literature on labor law with a normative approach linked to the dynamics of the digitalization of the labor market. However, this research has limitations in the scope of cases and literature study methods that do not yet cover demographic perspectives such as gender, age, or work preferences. Therefore, further research with a broader scope using field qualitative approaches or quantitative surveys is needed to strengthen the validity of the findings and serve as a foundation for more comprehensive, adaptive, and socially just employment policies.

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