

The Visibility Gap in the Global South: Comparing the Models of Platform Work Formalisation in Chile and India

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Abstract

For regulating the platform workspace that operates largely outside labour law, Chile and India have taken opposite legislative routes. Chile's 2022 Platform Work Law created a hybrid framework for the independent platform worker and vested the Dirección del Trabajo with inspection powers over specific obligations within it. On the other hand, some Indian states, such as Rajasthan in 2023, followed by Karnataka, Bihar and Jharkhand, built welfare boards funded through a transaction levy while leaving employment classification untouched entirely. Three to four years in, neither model has closed the gap between what the law promises and what workers receive. The Chilean case is documented by its own tripartite evaluation council and contested openly by the labour movement's formal submissions. But the Indian context is harder to see. In Rajasthan, law was never formally brought into force through notification, which its own text requires, while for Karnataka, registration data conflates worker-platform records with unique persons. This paper argues that the visibility of a regulatory shortfall, whether it is documented, contested and named, or simply absent from the record, matters more for platform workers in the Global South than the underlying policy choice of whether to reclassify them as employees at all.

Keywords: *Platform work regulation, Gig economy formalisation, Regulatory visibility, Informal labour, Global South*

Introduction

By May 2026, eleven aggregators operating in Karnataka had reported 12.19 lakh active worker-platform records to the state's gig worker welfare board. The Karnataka government itself acknowledged it still lacked a verified count of unique workers, since a driver working for Uber and Rapido on the same afternoon gets counted twice (Philip, 2026). The welfare board in Rajasthan, three years older, has no comparable figure at all, not because the state failed to collect one, but because its own Act was never brought into force by the notification its own text requires. In Chile, the Dirección del Trabajo, by contrast, has told its own government in writing that it cannot verify whether platforms are paying workers the legally mandated minimum (Comisión de Plataformas Digitales, CUT, 2026). Two different Global South countries, three different governments, three different platform work laws, and three different kinds of 'not knowing.' This paper argues that the difference between these kinds of not knowing, whether a regulatory shortfall is documented, contested and named, or simply absent from the record altogether, matters more for platform workers than the underlying policy choice of whether to reclassify them as employees in the first place.

Sources and Approach

The analysis draws primarily on official primary documents, supplemented by institutional submissions, academic literature, and legal commentary. The two statutes examined in this paper, Ley 21.431 and the 2025 Act of Karnataka, were reviewed in their official texts. The same approach was applied to government evaluations, tripartite reviews conducted by the Consejo Superior Laboral, and the 2025 report published by the Dirección del Trabajo. Union federation submissions to official processes, including the account by Sangam Tripathy on Indian campaigns, were treated as evidence. Journals and legal commentaries provided additional supporting evidence, particularly on dates, figures, and litigation status not yet reported in government documents. Figures obtained from a single outlet were cross-checked against at least one independent source before being used in the analysis. The comparison pairs equivalent institutional artefacts. The Chilean tripartite evaluation is compared with its absence in India. The Chilean union submission is compared with the account by Sangam Tripathy of unresolved union demands. The litigation record in Karnataka is compared with the complete absence of a corresponding record in Rajasthan.

Regulatory Design and Outcomes in Chile

The Chilean Platform Work Law, Ley 21.431, was published in March 2022 and took effect that September only. It inserted a new chapter into the Labour Code that splits platform workers into two categories, dependent and independent, according to the ordinary subordination test in Article 7 of the Code (República de Chile, 2022). Workers who remain independent still gained real protections: a minimum hourly rate set at 20 percent above the national minimum wage, a guaranteed 12-hour daily disconnection period, the right to unionise and bargain collectively, and access to a fundamental-rights procedure for anyone who logs at least 30 hours a week on a single platform. The legislation vested Dirección del Trabajo (or the Labor Directorate of Chile) with the explicit authority to police two things: the disconnection rule and a ban on discriminatory algorithms. If anyone breaks either one twice, the fine applicable under Article 506 doubles (República de Chile, 2022).

Bamieh et al. (2026) used Chile's own Labour Force Survey to find out the effectiveness of the statute. Before the arrival of the law, the transport and delivery platform sector employed nearly 40,000 people, a little over a quarter of all gig employment in the country, and 95 percent of them were classified as independent contractors. After the reform, employment dipped briefly, then climbed back past its pre-law level by late 2024. Informality fell by around 16 percentage points. Formal contracting rose by almost exactly the same amount, which tells you where those workers went instead. What barely moved at all was the employee share. Difference-in-differences estimates land on the same story: an 8.2-point drop in informality, nothing measurable on wages, hours or unionisation, but a genuine ten-point jump in social security coverage.

Here is the twist, though. That coverage gain probably owes less to the labour law than to a separate 2023 tax ruling requiring platforms to issue electronic third-party receipts for their workers, something the Dirección del Trabajo (2025) itself credits with driving most of the pension and health-coverage increase. Chile got more visibility out of its tax authority than out of its own labour code, and its architects seem to know this very well.

The law requires the Consejo Superior Laboral, a tripartite body with government, employer and worker representatives, to publish an annual evaluation for its first three years (República de Chile, 2022). The principal union federation submitted its own findings into that process in February 2026, co-written by its platform

commission and an economist from CETRA, and the language is blunt: the minimum pay floor has never been verified as enforced, “ni por la Dirección del Trabajo, ni en el desarrollo de este proceso de evaluación” [“neither by the Dirección del Trabajo, nor in the course of this evaluation process”] (Comisión de Plataformas Digitales, CUT, 2026). The underlying cause is that many platforms have no real, findable address, so the inspectorate cannot physically reach them to check. The scenario of collective bargaining was even horrible. In three years, only one union has been able to negotiate an agreement under the new law, and even that union shrunk from 456 to 75 members after its employer divided operations across several corporate shells whose common ownership was hard to trace (Comisión de Plataformas Digitales, CUT, 2026). Rosenbaum Carli (2026), in their peer-reviewed paper, contrasts Chilean statute against the court-driven approach of Uruguay and treats this exact gap between what a law says and what an inspectorate can verify. It is a real question which the entire region is facing, rather than being something unique to Chile.

A similar pattern was also witnessed on the international level. In June 2026, during its 114th annual conference, the International Labour Organization (ILO) adopted a new convention on decent work in the platform economy, and it keeps the same dependent-independent split Chile introduced four years ago (Pezoa, 2026). Fernando Arab, the former vice-minister who helped in drafting the original law, told La Tercera that other countries have picked up the Chilean model to varying degrees (Pezoa, 2026). He also referred to a 2021 ILO survey where 83 percent of Chile’s platform workers said they would remain independent rather than becoming employees (Pezoa, 2026). So, the Chilean case is real, and it is also on paper. It was argued over by an actual union, evaluated by an actual government council, and reported by actual journalists within weeks of each new development. This has in fact rendered the rest of the world to copy it to various degrees.

Welfare Boards and the Unaddressed Classification Question in India

India faces the same problem but has tried something different entirely to deal with it. Rather than creating an intermediate worker category, four Indian states have built welfare boards funded by a levy on aggregator transactions: Rajasthan first in 2023 and then Karnataka, Bihar and Jharkhand through 2025. But the question on employment classification was left untouched. Sangam Tripathy (2025), who has spent years as national advisor to the union federation that organised the campaigns behind all four laws, lists four demands that the unions still consider unresolved, namely a wage floor, real collective bargaining, regulated per-task rates, and clarity on the status of a platform worker under Indian law. On the fourth point, he was direct, where he argued that platform workers are neither employees nor fully independent contractors, and none of the four state laws passed so far has tried to resolve that ambiguity. Each of them has tried to formalise registration and funding, but the actual question of bargaining power is still left untouched.

The Karnataka Act, the most developed of the four, came into force on 30 May 2025 (Government of Karnataka, 2025). It requires aggregators to hand over worker databases within 45 days of commencement, fixes a welfare fee between 1 and 5 percent of a worker’s payout, later specified by government order as 50 paise, 75 paise or 1 rupee per ride depending on vehicle category, and sets penalties running from 5,000 rupees for a first violation to 1 lakh rupees for repeat violations, with 12 percent annual interest on unpaid dues. The Welfare Board was constituted by notification on 27 January 2026, the Rules had already been notified the previous November, and by May 2026 eleven firms, including Uber, Zepto, Rapido, Swiggy and Zomato, had reported 12.19 lakh active worker-platform

records to the state (Philip, 2026). A grievance mechanism followed on 1 May 2026, routing complaints through the state public grievance portal to each platform's internal dispute committee, with a right of appeal to the Welfare Board within 30 days (Elizabeth, 2026).

None of this went unopposed. A full year before the Act passed, platforms including Swiggy, Ola, Zomato, Uber and Amazon told the state government that the proposed inspection powers over algorithms in the bill, contracts and day-to-day operations were "excessively broad and vague" (Abrar, 2024). Two years later, the fight moved to court. The Internet and Mobile Association of India, joined by Swiggy, Zomato, Zepto, Blinkit, Urban Company, and Valmo Transportation, filed a writ petition in June 2026 arguing that the Act is repugnant to Parliament's Code on Social Security 2020 under Article 254 of the Constitution, since the Code calculates aggregator contributions on annual turnover, while in Karnataka, the fee is levied per transaction (Mason et al., 2026). On 3 July 2026, the High Court of Karnataka, through its interim order, declined to stay the Act, but it directed the platforms to deposit the disputed quarter's welfare fee with the court registry rather than the state government, while the full hearing is still pending (Mason et al., 2026). In case of Karnataka, the shortfalls are visible in a specific and useful sense, wherever they exist, as they are contested by named parties in an open court and reported within days by plenty of media outlets each time the case moves.

Rajasthan gives nothing new to be followed, and the reason is buried in the statute itself rather than in anyone's failure to act. The 2023 Act requires aggregators to submit worker data within 60 days of the enforcement of the law (Government of Rajasthan, 2023). But its own commencement clause hands that decision to a future government notification rather than fixing a date. Two years have passed, a change of ruling party from Congress to the Bharatiya Janata Party (BJP) happened along the way, and that notification appears never to have been issued, the way Karnataka later did (Tripathy, 2025). Which means the 60-day clock, tied to an event that never legally happened, has simply never started. The welfare cess itself was left the same way, "such rate as may be notified," with no figure ever fixed the way Karnataka fixed its own.

Bihar and Jharkhand are two new entrants, but their cases do not add something new and unique to this existing picture. Both passed legislation on their own gig workers in 2025, and both promised registration, insurance and a welfare fund financed the same way as Rajasthan. But to date, as far as the public record shows, both remain at the stage Rajasthan achieved in 2023: a statute on the books with no confirmed board, no confirmed registration count, and no outside pressure to produce one. Four laws, one template, and only Karnataka has moved far enough worth reporting.

Let us have a look at the national-level scenario. Within four years of its launch, by December 2025, the e-Shram portal had registered over 5 lakh gig and platform workers. The numbers may seem encouraging, but compared against NITI Aayog's own estimate that the workforce had already passed 1 crore by 2024-25 and was heading for 2.35 crore by 2029-30, this number represents under 5 percent coverage nationally (NITI Aayog, 2022). Further, NITI Aayog has not stated anything specifically about the four state-cases discussed above. Its own report goes further than acknowledging the data gap: the government had no mechanism able to size the gig workforce with any authority. This amounts to a level of not-knowing well beyond an incomplete count.

Visibility and the Politics of Enforcement

Sinha et al. (2026) give a name to part of this pattern worth stating here. They call it narrow formalisation, the condition where digital registration makes workers legible to the state without formalising the underlying work relationship itself. Registration and protection, on their account, are separate achievements, and one does not guarantee the other. This paper's claim runs one step further along the same chain. It is not only that registration can happen without protection following behind it. It is that whether the resulting gap gets written down changes who can act on it at all.

Consider what each government has on record about its own shortfall. For Chile, it sits on the public record twice: once in the tripartite evaluation council of the government, which includes the labour movement's formal written submission naming the minimum pay floor as unverified even by its own inspectorate, and again in the CEPR paper built independently from the state labour force survey data. A union organising around this fact has something government-authored to point to. The gap in Karnataka, the distance between 12.19 lakh worker-platform records and an unknown number of actual people, is smaller and newer, but it too now exists in citable form, because the state government itself said so on record, and because platforms are currently suing over the Act's inspection powers in open court, a process that forces disclosure through litigation even when the state's own machinery moves slowly.

Rajasthan has produced nothing of the kind. There is no lawsuit compelling disclosure, no union submission naming what is missing, and no official quoted acknowledging a shortfall, because there is no operative registration requirement left for anyone to fail. A law that never commences cannot generate the kind of contested public record that the Chilean law generates every year and that in Karnataka is now beginning to generate through litigation. This is a different, and in some ways a more complete, kind of absence than mere under-enforcement. Weak enforcement leaves behind inspection reports, complaint logs and penalty notices, something a union or a court can seize on. Hence, a commencement clause pointing at a notification, issued by nobody, leaves nothing to ponder on.

This reframes the debate on the reclassification-versus-registration. Chile created a new legal category and vested its labour ministry with inspection duties over specific obligations within the framework itself. In the case of Indian states, a parallel funding-and-registration system was created, but it left the classification category untouched. Both approaches left a real gap between what was promised and what was delivered. But Chile's gap now sits inside a binding international standard that other countries are trying to adopt, and that of Karnataka is being tested slowly through litigation, which at least keeps the its own figures in public view. Rajasthan has produced nothing beyond one insider account from the union that ran the original campaign and one newspaper's stocktaking of four state laws that found implementation stalled everywhere at once (Kulshrestha et al., 2026).

Conclusion

Does that mean that one of the models should be adopted by other Global South governments? That is probably the wrong question. Several African states are already drafting their own platform work laws by keeping in view both the Chilean and Indian approaches, and the issue in front of them may have been something different than the issue of reclassification versus registration. It may come down to something more mechanical: does the commencement date of the law, its inspection powers, and its disclosure rules generate a record that someone can

point to later, even when the state itself falls short? Currently, the Karnataka law is being tested in the open court due to a tussle between platform-decided-fee and inspection provisions. The Rajasthan law has never been tested in court, because nothing in it has ever taken a concrete shape worth fighting over. The provision for a welfare board whose own start date depends on a notification that is never announced is not a weaker version of a working law; rather, it is something closer to no law at all, wearing the language and shape of a working law.

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