

# Algorithmic Transparency under Karnataka's Gig Workers' Bill

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Guest Author

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On June 29, 2024, the Karnataka government published [The Karnataka Platform based Gig Workers \(Social Security and Welfare\) Bill, 2024](#), a draft law to protect the rights of platform-based gig workers. The Bill is expected to culminate into the second state-level framework, after Rajasthan enacted a similar [law](#) in 2023, for a section of workers sitting precariously beyond employment-related protections. On financing and operationalising social security, the Bill broadly adopts the model enacted in Rajasthan (see our analysis [here](#)). Such a model is also envisaged in the states of [Jharkhand](#), [Haryana](#), [Tamil Nadu](#), [Telangana](#) and in the national [Code on Social Security, 2020](#).

Questions surrounding gig workers' employment status and welfare protection certainly require urgent deliberation, and have been the focus of [submissions by labour unions and industry associations](#). However, this blog will assess certain other provisions of the Bill that carry significant implications. There are the transparency obligations it proposes for aggregators, i.e. digital intermediaries connecting buyers and sellers of goods or services,

regarding the collection and use of data, particularly *via* their automated systems. It is now commonly known that the generation, collection and aggregation of data lie at the heart of aggregators' platform-based business models. Contrary to their self-characterisation as "mere intermediaries", aggregators do not leverage data simply to match the supply and demand of services. They also rely upon data-driven intelligence to organise and manage the labour process, through a set of technological tools and techniques understood as 'algorithmic management'. In the platform economy, an increasing range of crucial managerial decisions are delegated to aggregators' machine-learning algorithms. Recognising the inextricable connections between data collection, algorithmic decision-making and gig workers' working conditions, the Bill requires aggregators to disclose certain information regarding their digital systems to any gig worker operating on their platform, upon demand. This blog will discuss how, and to what extent, disclosures under the Bill can enhance workers' comprehension of the systems that govern their work. Accordingly, drawing from research on algorithmic transparency and global regulatory developments, it will offer suggestions to strengthen the Bill's framework for gig workers' digital rights. These suggestions are equally relevant for other emerging regulations on algorithmic management in gig work.

## Transparency in the collection and use of data

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The Bill requires an aggregator to disclose information regarding the personal data of the worker that is processed by it and the purposes for which it is processed [*Clause 14(1)(iv)*]. This requirement would apply irrespective of whether the data is collected with or without the worker's knowledge, unlike under India's general data protection law (see [here](#)). This is significant, given the increasing collection of workers' data without their knowledge from sources including social media and employment records, as well as through intrusive "bossware". In these circumstances, an avenue for workers to access information on the collection and use of their data promises a significant advancement of their digital autonomy. Moreover, access to information under the Clause regarding the purposes for which such data is used can act as a deterrent against the appropriation of gig workers' data for speculative purposes.

Regrettably however, the Bill does not propose any limits on the categories or sources of data that aggregators' automated systems can process. Notably, the EU's recent directive on platform work ("**EU Directive**", see *Article 7*), which appears to have inspired the Bill's transparency framework, prohibits automated processing of certain categories of workers' data. This includes data on their emotional or psychological states, racial or ethnic origins, sex lives and trade union membership. To ring-fence workers' personal lives from their occupations, the EU Directive also bars the collection of any of their data while they are not offering or performing work on the aggregator's platform. Further, to protect workers' scant avenues for collaboration and collective action, it prohibits access to their private

conversations. Since these categories of data should hold no relevance in the allocation or assessment of work by aggregators, the Bill must be revisited to incorporate similar restrictions.

## Transparency in algorithmic monitoring and decision-making

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The Bill also requires aggregators to institute procedures for workers to seek information regarding algorithmic monitoring and decision-making systems that impact working conditions [*Clause 14(2)*]. Much like under the EU Directive (Article 9), Spain's Riders' Law (Article 64.4) and Philippines' POWERR Bill (Section 6(C)), a worker can demand information regarding the main parameters used in allocating and assessing work, the grounds for denial of work, and the rating system instituted by the aggregator [*Clause 14(1)(i)-(iii),(v)*].

Aggregators typically conceal the algorithmic processes through which they make managerial decisions, citing trade secret protection. The resulting opacity precludes workers from meaningfully deciding everyday aspects of their work (say, whether to accept a particular gig offered to them), and from making longer-term decisions (say, whether to offer their services elsewhere). In this context, the Bill's disclosure requirements can offer a worker a legible understanding of how work is assigned, how it is compensated and how such factors shape and are shaped by their reputational ratings. This can alleviate, to an extent, the uncertainty that characterises their work (see recent surveys here and here) and enable more meaningful decision-making by them.

However, the definition of 'automated monitoring and decision-making systems' raises a preliminary concern. The Bill defines these as "*systems that make decisions solely by automated means without human intervention*". Research on AI has highlighted that the binary between *solely* automated decisions and those made by humans is misconceived, since AI systems usually involve at least some degree of human intervention. Thus, the Bill's (mis)understanding of automated systems may exclude many aggregators' systems, rendering its transparency obligations inapplicable to them. Similar issues arose under the GDPR, prompting EU lawmakers to include systems in which automated decisions are *supported* by human intervention, under the EU Directive (see Article 2(8) and 2(9)). It is imperative that the definition under the Bill is similarly expanded.

Further, as scholars on algorithmic transparency have observed, disclosing parameters has limited value in prospectively explaining the general behaviour of complex algorithmic systems. This is because such systems' outputs, i.e. decisions taken through them, are not determined simply by abstract parameters, but are co-determined by how such parameters evolve iteratively through such systems' actual interactions with workers, consumers and human reviewers. Drawing from other contemporary legislations, the Bill should be supplemented with additional disclosure obligations, to offer a more reliable picture of aggregators' systems. First, aggregators should also be required to disclose the

organisational processes that steer such systems, including the role played by human reviewers. Second, considering the aforementioned limitations of generalised *ex ante* explanations, workers should be entitled to *ex post* statements of reasons for specific decisions taken using automated systems, which adversely affect them (see [EU Directive: Recital 49](#); Philippines' Law: *Section 6(C)*). Further, moving beyond mere transparency, workers should be guaranteed an avenue to challenge and obtain a human review of such decisions (see [EU Directive: Article 11](#)).

## From transparency to greater accountability

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A framework of individual rights, especially with the recommendations above, would represent a progression from the *status quo*, where such information remains unilaterally with aggregators. Nonetheless, it is important to highlight the structural limitations of a framework that narrowly focuses on empowering *individual* workers.

In the past, workers raising grievances against aggregators have reported threats of suspension of their accounts. Without any affirmative protection against such retaliation for exercising their rights (see [EU Directive: Article 22](#); Philippines' POWERR Bill: *Section 6(C), (F)*), an individual worker may be apprehensive from exercising the right to demand disclosures under the Bill. Further, even where an individual worker procures such disclosures, their legalistic and technical nature may inhibit any substantive understanding of aggregators' systems – similar issues have befallen privacy disclosures. Moreover, considering the collective nature of risks associated with algorithmic management, disclosures to individual workers may not sufficiently address the broader concern – regarding the structural asymmetries of power between individual workers and aggregators.

Labour jurisprudence has long recognised such asymmetries, necessitating collective rights exercisable by agencies that represent workers' shared interests. Given gig workers' shared interests in protection against algorithmic management, many jurisdictions, including [Chile](#), [Singapore](#), [Brazil](#) and [Philippines](#), have moved towards recognising their rights of association and collective representation. The Bill must be revised to at least empower workers affected similarly by an aggregator's automated systems to exercise their rights under the Bill jointly, or through their representatives (see [EU Directive: Articles 9, 11, 17](#)). This would allow workers to pool their scarce time and resources. Further, it would enable them, through emergent formations such as platform cooperatives and data trusts, to aggregate information on such systems and build an evidence-base for stronger collective bargaining.

Moreover, besides illuminating aggregators' automated systems for workers, such systems must be brought into sharper public focus – especially since shielding them from consumers is what partly enables aggregators to exploit workers. Towards advancing broader socio-political dialogue on gig work, we suggest legislative consideration on two additional measures. *First*, lawmakers should consider requiring aggregators to systematically assess the impact of their automated systems, focussing on their implications for workers'

constitutional rights, safety and health. (see [EU Directive: Articles 8, 12](#); [Spain's Riders' Law](#)). In conducting such *ex ante* impact assessments, aggregators should be duty-bound to engage with workers' representatives . *Second*, lawmakers should consider imposing *ex post* periodic reporting requirements on aggregators regarding the functioning of their systems. (see [EU Directive: Article 17](#); [Spain's Riders' Law: Article 64.4](#)) Similar to [social media platforms' reports pursuant to guidelines under the Information Technology Act, 2000](#), aggregators should report aggregate data on types of adverse decisions made using their systems in a particular period. This should include decisions such as suspensions of workers' accounts, termination of their contracts and withholding of their compensation, with the relevant grounds. The publication requirements for both of these reporting mechanisms could provide for differential levels of transparency for the general public, gig workers and the state.

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