

The Governance Horizon: Gig Labour Meets Green Capital!

This article maps the convergence of platform-mediated gig labour and rapidly expanding green industries. For practising Company Secretaries and economists, it offers: (a) a layered taxonomy of statutory and quasi-regulatory requirements; (b) pragmatic compliance architectures for businesses operating at the intersection of gig work and green projects; and (c) targeted policy recommendations that reconcile labour protections, platform models and credibility in green financing.



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INTRODUCTION

The convergence of two modern disruptors — platform-mediated gig labour and rapidly expanding green industries — is producing a novel compliance frontier for corporate governance, licensing regimes and public policy. This article maps the regulatory terrain as it stands in 2025, contrasting India's nascent state-and-centre responses with the EU's Directive-based approach, the US's patchwork outcomes (including landmark state-level politics), and international efforts to stabilise environmental finance markets. For practising Company Secretaries and economists, it offers: (a) a layered taxonomy of statutory and quasi-regulatory requirements; (b) pragmatic compliance architectures for businesses operating at the intersection of gig work and green projects; and (c) targeted policy recommendations that reconcile labour protections, platform models and credibility in green financing. Evidence comes from recent statutory acts, central regulatory circulars, policy drafts and leading multi-stakeholder governance initiatives.

1. Why this matters?

Company Secretaries sit at the crossroads of corporate law, regulatory compliance and stakeholder trust. In 2025, two vectors have become systemic risk multipliers:

- Platform work generates contingent liabilities (classification, social security, data-governance obligations) that can convert into balance-sheet and reputational risk overnight.

- Green industry financing — labels, taxonomies and carbon instruments — is under intense regulatory tightening to prevent greenwashing and protect investor trust; missteps bring regulatory sanctions and capital-market exclusion.

The practical problem is not theory: it is designing governance systems that simultaneously manage labour rights, platform innovation, licensing obligations and the credibility of sustainability claims.

2. Hidden Governance Frictions in the Gig-Green Nexus

One of the underexplored challenges at this convergence is the asymmetry between who bears the compliance burden and who captures the financial upside. Platforms typically outsource regulatory obligations to individual workers by framing them as “independent contractors,” while green financiers impose disclosure-heavy requirements that only large corporates can absorb. This creates a dual governance gap: fragmented responsibility at the labour end and concentrated power at the capital end.

Another friction lies in jurisdictional timing mismatches. Labour-related statutes tend to evolve slowly through parliamentary debate and litigation, while green finance regulations are being recalibrated almost yearly in response to climate deadlines and investor pressure. Firms operating across both vectors are therefore trapped between a lagging welfare framework and a hyperactive financial disclosure regime — an imbalance that generates unpredictable liabilities.

A third blind spot is the emergence of informal ecosystems around both gig work and climate finance. In India, millions of platform workers are active in semi-regulated spaces such as local delivery collectives or renewable installation crews without formal registration. Similarly, carbon markets and ESG-labelled securities are spawning grey areas of unverified credits and voluntary labels. These informal layers are largely invisible to regulators but constitute real systemic risk — from under protected workers to capital misallocation.

Finally, governance in the gig-green economy is increasingly mediated by digital infrastructure.

Digital IDs, welfare portals, blockchain registries, and AI-led monitoring tools now act as de facto regulators, often more powerful than statutes themselves. Yet the governance of these tools — data ownership, algorithmic bias, auditability — remains weakly institutionalised. Unless addressed, these “silent regulators” will determine whose work counts, whose emissions reductions are validated, and who is left outside the formal economy.

3. Background — two revolutions colliding

• The gig/re-platforming revolution

Platform-mediated work (ride-hailing, delivery, micro-tasking, freelance intermediation) creates highly flexible supply-side labour but often opaque employment relations, algorithmic management and decentralized subcontracting. Global policy responses over 2022-2025 reveal three paradigms: (a) statutory protection and presumption of “worker” status (EU floor via directive); (b) statutory carve-outs protecting platform flexibility (some US states, proprietary ballot measures); and (c) hybrid social-security registration and welfare schemes at sub-national levels (several Indian states).

• The green finance and green-industrial revolution

Capital markets have rapidly layered ESG and green instruments over traditional debt/equity. Regulators want clear taxonomies, disclosure, external verification and governance guardrails. In 2025, we see intensified regulatory action to curb greenwashing and national climate finance taxonomies to direct capital towards verifiable low-carbon transition projects.

Regulations are also being shaped by geopolitical dynamics. Trade sanctions, data localization laws, and supply chain due diligence norms are tying corporate governance to national security.

performance across the value chain. In India, Business Responsibility and Sustainability Reporting (BRSR Core) became mandatory for the top 1,000 listed entities in FY 2023–24, bringing Indian companies into closer alignment with global ESG benchmarks. Meanwhile, the US SEC’s climate disclosure rules—expected to take effect in 2025—will push American companies to publish audited emissions data and climate-related financial risks. While each region moves at its own pace, the regulatory destination appears increasingly uniform.

Another major development is the personal liability of Directors and Key Managerial Personnel. India’s Companies Act, 2013 amendments and SEBI’s latest circulars have intensified the enforcement of fit-and-proper criteria for directors and clawback provisions on executive pay. In the US, the Department of Justice’s 2023 guidance emphasizes individual accountability in corporate criminal cases, reinforcing that corporate failures will no longer be shielded by collective responsibility. The UK’s Senior Managers and Certification Regime (SMCR) already places directors under personal scrutiny, a model that other jurisdictions are observing closely.

Technology and geopolitics are also reshaping governance obligations. Cybersecurity mandates are emerging as a new pillar of corporate accountability. In India, SEBI’s 2024 cybersecurity framework requires Market Infrastructure Institutions (MIIs) and listed companies to adopt advanced risk-mitigation controls, while in the US, the SEC has mandated companies to disclose material cybersecurity incidents within four business days. Similarly, the EU’s Digital Operational Resilience Act (DORA), effective from 2025, places operational resilience at par with financial reporting. The regulatory lens has shifted and failure to manage cyber threats is now seen as a governance failure.

4. Regulatory Developments

Regulatory reforms in corporate governance are no longer confined to periodic amendments of compliance checklists; they are increasingly becoming anticipatory frameworks aimed at pre-empting risks that may not yet fully exist. This shift represents a transition from reactive regulation to proactive stewardship. Regulators across the world are embedding technology-driven oversight, deepening ESG disclosures, and strengthening the accountability of those who sit in boardrooms.

One of the most notable trends is the rise of regulatory convergence. Multinationals can no longer arbitrage governance gaps between jurisdictions, as regulators are moving toward a shared vocabulary of compliance. For example, the EU’s Corporate Sustainability Reporting Directive (CSRD) (phased in from 2024) has introduced granular disclosure on sustainability

Crucially, regulations are also being shaped by geopolitical dynamics. Trade sanctions, data localization laws, and supply chain due diligence norms are tying corporate governance to national security. The EU’s Corporate Sustainability Due Diligence Directive (CSDDD) (adopted 2024) requires large companies to identify, prevent, and mitigate human rights and environmental abuses in their global supply chains. In parallel, India’s Digital Personal Data Protection Act (2023) has redefined how corporations collect, store, and process personal data, linking governance with sovereignty in the digital era.

What emerges is a new regulatory philosophy: compliance is no longer just about avoiding penalties; it is about earning trust. Companies that align early and

deeply with these developments are turning regulation into a competitive differentiator, while laggards risk reputational and operational obsolescence. Governance capital, in this sense, is becoming as valuable as financial capital.

5. Comparative anatomy — labour classification, licensing & registration

Global divergence in platform labour regulation is no longer an academic curiosity — it is now a boardroom risk driver for multinational firms and a measurable cost factor in cross-border compliance. In 2025, regulatory approaches to gig work and platform-mediated labour display striking contrasts, with each model carrying distinct implications for governance systems and capital allocation.

The European Union has opted for a directive-driven protective floor through its Platform Work Directive, which leans heavily towards recognising platform workers as “workers” and imposes extensive obligations on platforms, including algorithmic transparency, impact assessments, and accessible channels for collective representation. As of mid-2025, several member states — including Spain, France, and the Netherlands — have already transposed key provisions, affecting an estimated 28 million platform workers EU-wide. This is creating a harmonised but stringent compliance environment, with the potential to reshape labour cost structures and reporting cycles across the bloc.

India, in contrast, has adopted a hybrid structure. State-level laws such as Rajasthan’s Platform Based Gig Workers (Registration & Welfare) Act, along with similar bills in Telangana, Karnataka, and Jharkhand, prioritise mandatory registration, welfare funds, and social security portability rather than immediate reclassification. Rajasthan’s registry alone has enrolled over 300,000 workers since its inception in 2023, offering early evidence of scalability without triggering mass contractual renegotiations. At the central level, the Code on Social Security provides enabling provisions for gig worker protection, but classification debates remain unresolved — allowing states to experiment with welfare-based models that preserve platform flexibility while introducing statutory safety nets.

The United States remains the most fragmented jurisdiction, where state ballot measures, court decisions, and proprietary agreements produce a patchwork of rules. California’s Proposition 22, upheld by the state Supreme Court in 2024, preserved contractor status under certain benefit conditions, while states such as New York and Massachusetts continue to press for broader worker protections. For multinational businesses, this regulatory heterogeneity demands bespoke operational policies for each state, increasing compliance complexity and administrative cost.

For Company Secretaries, these divergences transform licensing and compliance into a multi-tiered exercise: maintaining worker registries and welfare contributions in Indian states, meeting classification and algorithmic audit obligations in the EU, and crafting state-specific contractual frameworks in the US. The strategic imperative is to reconcile these models into a coherent governance system that minimises legal exposure, maintains operational flexibility, and defaults to the highest jurisdictional standard to reduce fragmentation risk.

6. Green industry licensing & credibility — what changed in 2025

By mid-2025, green industry licensing and credibility standards have entered a phase of accelerated consolidation. National taxonomies — such as India’s Draft Climate Finance Taxonomy and the EU Taxonomy — now serve as gateways for determining eligibility of projects as “transition” or “green,” with direct consequences for concessional capital and investor interest.

• The Technological Axis of Governance: AI, Data, and Algorithms

An underappreciated layer of this convergence is technological. Platforms deploy AI-driven scheduling, pricing, and performance management, while green capital markets increasingly rely on satellite imagery, blockchain registries, and machine learning to verify climate outcomes.

This reliance on automated systems introduces common risks: algorithmic opacity, surveillance creep, and widening power asymmetries between data-rich platforms/financiers and data-poor workers or investors. Governance professionals must now embed algorithmic transparency, explainability, and independent review into governance systems.

Company Secretaries, in particular, must ensure that AI audits and algorithmic impact assessments are not seen as European obligations alone but as part of a global best-practice toolkit. As green finance and gig platforms increasingly intertwine with digital technologies, algorithmic governance will be as central as financial governance.

7. Compliance architecture for the convergent firm (practical blueprint)

- **Governance & board oversight**
- Establish a combined Compliance & Transition Committee that reports to the board, with sub-mandates for Platform Labour Risk and Climate-Finance Risk. The Company Secretary should own statutory filings, register filings and minute-level compliance reporting on these risks.

- **Licensing and registration checklist (operational)**
- ♦ **Platform operations:** Local business licensing, intermediary registration (where required), consumer safety licences, vehicle/driver permits.
- ♦ **Labour compliance:** Maintain a verified Platform Worker Registry (name, ID, PAN/Aadhaar equivalent, earnings), welfare contributions, grievance mechanisms and algorithmic transparency disclosures where relevant. (Indian state acts emphasise centralized registration)
- ♦ **Environmental finance:** Pre-issuance eligibility mapping to taxonomy criteria, third-party assurance (limited assurance or reasonable assurance per GBP/SEBI), post-issuance impact reporting, and a climate transition plan aligned to national taxonomy.
- **Data & algorithmic governance**
- ♦ Maintain algorithmic impact assessments and worker-facing transparency notices (EU PWD obligations are a leading template). Company Secretaries must ensure board-level sign-off on automated decision systems affecting remuneration or de-activation.
- **Contracts & procurement**
- ♦ Redesign platform-gig contracts to include dispute resolution, minimum guaranteed protections where mandated, opt-in clauses for welfare funds, and indemnities for misclassification exposures.
- **Financial structuring & green credibility**
- ♦ For green debt issuance, build contracts to ring-fence use-of-proceeds, integrate verification timelines, and monitor “impact leakage” risks (i.e., projects claiming green credentials without demonstrable emissions reductions). SEBI’s 2025 ESG Debt framework requires stricter disclosure.

8. Risk assessment: quantifying contingent liabilities

For Company Secretaries preparing board memos, convert qualitative exposures into quantified scenarios:

- **Labour-classification risk:** Estimate back wages, statutory benefits and penalties for worst, mid and best case with jurisdictional multipliers. EU transpositions that deem platform workers as “workers” increase liability in Europe; in India, the near-term fiscal exposure is migration to welfare funds and reputational costs.
- **Green-credibility risk:** Use scenario analysis to estimate stranded asset risk and cost of capital uplift if green labelling is withdrawn or disputed under taxonomy/legal challenge. SEBI’s 2025 tightening increases monitoring costs and potential investor litigation.

• Cross-Border Capital Flows & Emerging Market Dilemmas

Capital is fluid, but taxonomies are territorial. The EU Taxonomy, India’s Draft Climate Finance Taxonomy, and evolving US disclosure norms, all operate as gatekeepers to investment flows. For emerging economies, strict alignment with EU definitions could exclude locally relevant transitional projects, while divergence could deter investors seeking harmonised benchmarks.

This dilemma is acute in India, Brazil, and South Africa, where green industrialisation is both a climate necessity and a development imperative. What is missing is a South-South coalition that negotiates interoperability while retaining developmental space.

For Company Secretaries and boards of firms in emerging markets, this makes taxonomy navigation a strategic competence — not simply to comply with rules but to position projects for international capital flows without surrendering policy autonomy.

9. Recommendations for Company Secretaries, Boards and Policy Makers

• For Company Secretaries & Boards:

1. Create a dual-track risk register that treats platform for Labour Risk and Climate-Credibility Risk as separate but interacting risk categories and present quantified scenarios quarterly.
2. **Adopt a “Regulatory High Watermark” approach for cross-border operations:** Implement the most stringent jurisdictional standard across operations for key compliance components (e.g., algorithmic transparency, worker registries, taxonomy mapping). This reduces legal fragmentation risk.
3. **Pre-emptive contractual design:** Include clauses that enable rapid compliance with local registration and welfare funds, and contractually commit to third-party verification rights for green claims.
4. **Data governance maturity:** Develop algorithmic impact assessments (AIA), maintain auditable logs and enable worker appeal channels — prepare for EU-style disclosures.

• For Policy Makers

1. Harmonise registries across states/jurisdictions (where feasible) so worker portability and taxation simplicity are possible. A national registry model can reduce compliance cost and increase social security coverage (India’s state experiments) can be scaled.
2. Invest in verification capacity for green finance (national accreditation bodies, market oversight) to ensure that taxonomies lead to investor confidence and not box-ticking.

The regulatory trajectory makes two truths inescapable: first, the global shift is towards transparency and verification as the cornerstones of both labour and environmental governance; second, the implementation landscape remains uneven, shaped by jurisdictional politics, market maturity, and institutional capacity. For Company Secretaries, the mandate has evolved beyond legal compliance into the design and stewardship of integrated governance systems — architectures that are technical in their data and algorithm oversight, precise in contractual design, and rigorous in financial structuring and assurance mechanisms. For economists, the interplay of gig labour regulation and green finance credibility offers a living case study in how policy choices reshape market efficiency, labour allocation, and capital flows.

The convergence of platform ubiquity and climate urgency demands more than reactive adaptation. It requires governance foresight. Firms that treat compliance not as an obligation but as a competitive capability will be best positioned to navigate shifting legal baselines, pre-empt reputational risks, and access the most trusted pools of capital. In the age where governance is the product and credibility is the currency, the leaders will be those who can reconcile the demands of work and planet without compromising on either.

CONCLUSION

The 2030 Outlook of Gig-Green Governance: Looking beyond 2025, three plausible trajectories emerge for the convergence of gig labour and green capital as under:

- **The Harmonization Path:** Global standards converge, registries become interoperable, and green capital flows inclusively.
- **The Fragmentation Path:** Jurisdictions double down on localized definitions, escalating costs and compliance complexity.
- **The Platform Sovereignty Path:** Private platforms and financiers create quasi-legal ecosystems of verification and governance, outpacing state regulation.

The governance horizon will be shaped by the choices Regulators, Boards, and Company Secretaries make in the next five years. Treating compliance as strategic foresight rather than reactive obligation will determine whether firms thrive in the trusted capital pools of 2030.

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