

# SOCIAL ACTION

A Quarterly Review of Social Trends

## LABOUR CODES: CHALLENGES AND PROSPECTS

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*January-March 2025*

(Last date to receive articles : 15 November 2024)

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### **Religious Minorities in India**

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(Last date to receive articles : 15 February 2025)

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### **The Backbone of Indian Economy: The Farming Community**

*October-December 2025*

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## **SOCIAL ACTION**

10, Institutional Area

Lodhi Road

New Delhi-110 003

E-Mail : [socialaction@isidelhi.org.in](mailto:socialaction@isidelhi.org.in)

## **Labour Codes: Challenges and Prospects**

Historically, India's labour laws evolved in response to the socio-economic conditions prevalent during the colonial era and post-independence period. For instance, the Factories Act of 1948 aimed at improving the working conditions in factories. Similarly, the Trade Unions Act of 1926, and the Industrial Disputes Act of 1947 were promulgated to manage industrial relations in a growing economy, with significant industrialization. Despite these efforts, it was becoming apparent that the existing labour laws were inadequate for addressing the challenges posed by a rapidly changing economic landscape. The fast-growing information technology and the services sectors and the growth of the informal and gig economies called for a more flexible and comprehensive legal framework. Moreover, the World Bank identified India's labour regulations as a major obstacle to business operations and economic growth. Stakeholders, including both industry leaders and labour groups, have been demanding simplification and rationalization of labour laws to reduce compliance burdens and enhance protections for workers.

In response to these pressures, the Indian government initiated the consolidation of the existing labour laws into four comprehensive codes: the Code on Wages, the Industrial Relations Code, the Social Security Code, and the Occupational Safety, Health, and Working Conditions Code. These codes aim to create a more streamlined, transparent, and equitable regulatory environment, facilitating better compliance and enforcement. It was a move towards simplifying compliance and enhancing protections, reflecting an effort to modernize the labour market and align with global practices. These new labour codes represent a landmark reform in the country's regulatory framework governing labour and employment. These reforms mark a transformative shift in labour legislation, aiming to create a more efficient and contemporary regulatory environment.

However, this significant legislative shift is not without its challenges. While the reforms seek to balance economic growth with worker protections, concerns persist regarding potential impacts on collective bargaining and labour rights. Further, there are concerns about the potential erosion of worker protections, particularly for those in the informal sector, and resistance from labour unions who fear that the codes might undermine established labour rights. The implementation of labour codes, particularly concerning migrant workers, reveals significant gaps between policy and

practice -- inadequate enforcement, lack of awareness, and insufficient social security measures, absence of formal employment contracts and basic amenities, underscore the vulnerability of this labour force.

While the stated aim of the new labour codes is to simplify and consolidate existing labour laws, the actual impact on the unorganised sector appears to be harmful to the workers, as the lack of clarity and increased regulatory burdens can lead to greater exploitation and marginalisation of unorganised workers. Their impact on small and medium enterprises (SMEs) and the unorganised sector reveals several challenges -- social insecurity, gender disparities, and the weakening of the role of trade unions.

Despite these challenges, these labour codes offer an opportunity to modernize labour regulations, introduce more flexible work arrangements, and boost investor confidence by providing a clearer and more predictable legal environment. As India navigates this pivotal reform, the success of the labour codes will largely depend on effective implementation and enforcement, ensuring that the intended benefits are realized while addressing the concerns of all stakeholders.

The current issue of ***Social Action*** reflects on the challenges and opportunities of the labour codes, particularly the four codes passed in recent years. Three of the articles reflect directly on these new labour codes and offer their critiques and concrete suggestions. The remaining four articles deal with specific labour-related issues and highlight the positive as well as negative aspects of labour laws.

**James Dhabhi**, in his article, “The New Labour Codes: Prospects, Concerns, Critique and Way Forward”, agrees that labour laws are essential as a country makes progress and develops depending on the nature of its labour and the conditions in which the labourers work. Further, the article speaks about the context of labour, the new Labour Codes and the prospects of Labour Codes. It then highlights some generic concerns and impacts emerging from the new Codes, with its focus on the unorganised sector and workers. Finally, the article makes a few suggestions to ensure that the Codes do justice to workers and enhance the lives of labourers in the context of the effort to develop an inclusive socio-economic and political life in India.

**Sam T. Rajkumar**, in his article “Labour Codes: Challenges and Prospects in the Indian Context”, explores India’s recent labour code reforms, to simplify compliance and enhance worker protections. The paper

emphasizes balancing worker protection with economic growth. It discusses the potential for job creation, labour formalization, and improved ease of doing business. Additionally, the paper considers global perspectives, and stakeholder viewpoints, and provides recommendations for effective enforcement, monitoring, and evaluation of these reforms to ensure that these benefit both workers and the economy.

**Srimanta Patra/Saifulla Sardar and Manikanta Paria**, in their article, “Labour Codes in Transition: Addressing Challenges and Embracing Prospects”, highlight the strengths and challenges of the new labour codes. They further state that these reforms aim to simplify compliance, enhance worker protections, and promote economic growth through measures like a universal minimum wage, flexible employment terms, expanded social security benefits, and improved safety standards. According to them, the challenges include administrative adjustments, stakeholder resistance, and the need for effective enforcement mechanisms. They reiterate the need for support for SMEs, informal sector workers, and capacity-building programs. They also suggest the need to integrate technology into education, focusing on social-emotional learning, inclusive education, cognitive load theory, and gamification, which can improve learning outcomes and student engagement.

**Rinki Dahiya, Rinki Dahiya, Priya Dahiya & Deepika**, in their joint article, “Collective Bargaining in India: Impact of Labour Codes on Workers’ Rights and Organizational Dynamics”, explore the impact of the Labour Codes reforms on the intricate balance between labour and management. Although they appreciate the positive aspect of amalgamating multiple laws to streamline processes and enhance the ease of doing business, while safeguarding workers’ interests, they also highlight the concerns regarding potential dilution of protective measures and bargaining power traditionally held by labour unions. This study examines the evolving dynamics of collective bargaining post-Labour Code implementation, highlighting the challenges impeding the effectiveness of collective bargaining in India and also discussing the prospects for future development.

**Megha Jacob, Shreya Pandey, Shreshthi Dubey**, in their joint article, “Impact of the Indian Labour Codes on Small and Medium Enterprises (SMEs) and the Indian Unorganised Sector”, study the impact of India's new labour codes on small and medium enterprises (SMEs) and the unorganised sector. They are of the view that while these reforms aim to reduce compliance complexity, promote employment, and enhance the business

environment in India, these changes pose significant challenges. The study investigates increased operational costs, compliance burdens, and changes in labour relations, as well as the unique compliance issues for gig and platform workers. It reveals that while the labour codes aim to streamline processes and improve worker conditions, significant challenges remain for SMEs and the unorganised sector.

**Parthasarathi and Madhava Priya Dananjayan**, in their joint article, *Social Entrepreneurship and Labour Codes: Challenges and Prospects*, study the impact of labour laws on social entrepreneurship, which combines entrepreneurial creativity with non-profit goals to address socioeconomic problems in sectors including renewable energy, healthcare, and education. This article also covers the legal, financial, and operational difficulties that social companies, with particular attention to employment law. With the help of a few case studies, the authors point out how these businesses get beyond legislative barriers to have a positive social impact. According to them, the major issues include achieving a balance between worker protection and flexible employment, adhering to regulations, and facing financial limitations. They further point out that the solutions include capacity-building initiatives, financial assistance in the method of grants and low-interest credits, technological advancements to ensure compliance, and legislative changes to establish a unique regulatory framework for social enterprises. Further, the study also emphasizes the importance of joint efforts on the parts of labour unions, government agencies, and social entrepreneurs.

**Prosanta Sarkar** in his article, *“Rolling Reforms: Unpacking the Impact of Labour Codes on Beedi Workers in West Bengal”*, explores the intersection of existing and new labour codes and informal work through case studies from the beedi industry in West Bengal. According to him, despite introducing labour reforms to enhance worker rights and welfare, the implementation in informal sectors like the beedi industry presents unique challenges. The study examines the impact of these codes on wages, health and safety, social security, and industrial relations among beedi workers. The findings reveal significant gaps between policy and practices, highlighting the persistent vulnerabilities of beedi workers. Finally, the article provides policy recommendations to bridge these gaps and calls for a nuanced approach to labour reforms that considers the realities of informal work environments. □

**Dr. Sebasti L. Raj SJ**



# The New Labour Codes: Prospects, Concerns, Critique and Way Forward

James C. Dabhi\*

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## *Abstract*

*The International Labour Organization has approved the Decent Work guidelines based on the four pillars of action, prompting governments worldwide to take proactive action to ensure that their respective countries adhere to international labour standards.*

*Changes in labour codes and the introduction of new labour codes were among the measures used to consolidate the multitude of labour laws in the country. As per the Central Government, before the new labour codes were passed, there were more than 40 central laws and more than 100 state laws on labour and related matters.*

*The four new labour codes -- Code on Social Security 2020, Occupational Safety, Health and Working Conditions Code 2020, Industrial Relations Code 2020, and Code on Wages 2019 -- will subsume the existing 29 central labour and industrial laws and aim to avoid a multiplicity of laws.*

*Labour laws are essential as a country, democratic or otherwise, makes progress and develops depending on the nature of its labour and the conditions in which the labourers work (Report of the Committee on Unorganised Sector Statistics 2012). Furthermore, the complexity of labour laws and the administrative mechanisms of the laws make it harder for the country to do business (Niti Ayog Employment Vision 2020).*

*This article speaks about the context of labour, the new Labour Codes and the prospects of Labour Codes. It then highlights some generic concerns and impacts emerging from the new Codes. However, it will focus more on the reforms that affect the unorganized sector and workers the most. The article will make a few suggestions to ensure that the Codes do justice to workers and enhance the lives of labourers in the context of our effort to develop an inclusive socio-economic and political life in India.*

**Keywords:** Labour, Worker, Employee, Employment, Wages, Right, Unorganized Sector, Labour Codes.

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\*Director, Centre for Culture and Development, Xavier Technical Institute Campus, Sevashi-Vadodara, 391101, Gujarat. Email: jimmydabhi@gmail

## Context of Labour in India

Life and labour are biologically and physically interconnected. Life comes through human labour-pain, and human beings labour to live and sustain their near and dear ones. Article 21 envisages that "the right to live in human dignity is the fundamental right of every Indian citizen." The Universal Declaration of Human Rights states in Article 23.1: (1) Everyone has the right to work, free choice of employment, just and favourable conditions of work, and protection against unemployment (UDHR Article 23:1).

The Supreme Court has interpreted this to mean that the right to life also includes the right to livelihood [*Olga Tellis v. Bombay Municipal Corporation*, 1985 SCC (3) (545), (<https://indiankanoon.org/doc/709776/>)]. As a result, it is clear that the refusal of the right to work, which is a livelihood, amounts to deprivation of the right to life (Ramaswamy & Binnuri 2023).

India's workforce consists of organized and unorganized labour. Thirty years ago, the International Labour Organization coined the term "informal sector" to describe the activities of the working poor people (ILO 2002). According to the International Labour Organization, 2 billion people work informally (60% of all workers), most of them in emerging and developing countries. The majority lack social protection, rights at work and decent working conditions (ILO 2018, IMF 2021). Of these two billion workers employed in informal jobs, four of five businesses are not formally registered (WEF 2024). The informal economy of the unorganized sector consists of activities with market value but not registered officially.

This sector has poor-quality employment, low and insecure salaries, and harmful work environments, regardless of where people work (International Labour Office 2021). According to the report by the Food and Agriculture Organization (FAO) working under the United Nations (2019), the number of such people in India between 2016 and 2018 was 14% of the total population who did not get a nutritious diet. In terms of a population of 135 crores, this number is 18.90 crores (Rana 2020).

Seasonal migration is a massive part of unorganized labour. Migration is an integral and regular part of livelihood strategies and production systems (Dabhi 2022). Although their labour and hard work are factors of growth in several sectors, providing a cheap and flexible labour source, they remain without an identity and are unable to claim State resources for education, health care, water and sanitation as they are on the move (Rogaly et al.,

2001; Dabhi 2022). Women and children suffer the most from this kind of existence (Deshingkar & Start 2003).

### **The New Labour Codes**

Sirwalla (2024) wrote that India's economic landscape has undergone significant transformations driven by technological advancement, globalisation, and evolving geopolitics. Sirwalla also said that amidst these changes, the new labour codes by the Central Government aim to reform the way companies remunerate and regulate their workforce. The four new labour codes – Code on Social Security 2020, Occupational Safety, Health and Working Conditions Code 2020, Industrial Relations Code 2020, and Code on Wages 2019 replace the Minimum Wages Act of 1948, the Payment of Wages Act of 1936, the Payment of Bonus Act of 1965, and the Equal Remuneration Act of 1976 (prsindia.org 2019; The New Labour Codes for New India 2020).

The labour laws include minimum pay, working hours, occupational health and safety, equal opportunity and non-discrimination, dismissal from a job, and rights to collective bargaining (Shreya 2022). In India, the State is duty-bound under the Constitution to ensure the welfare of workers and labourers. The State's duty to formulate these laws enshrined in the Constitution of India deals with the Directive Principles of State Policy (Ramaswamy & Binnuri 2023). Labour laws are administrative rulings that direct the legal rights of and restrictions on workers and their organisations (NCIB.in).

The rule of law strengthens political democracies. In this context, progressive labour laws are important for India, which has a huge labour force. The point is not merely to replace the old, relevant as they may be. The question addresses some of the issues and concerns they raise and the government's and authorities' political will to implement them judiciously.

The article dwells on the prospects, critiques, and challenges of the new Labour Codes. They have pros and cons, and their effectiveness is determined by the consequences of time.

### **The Prospects of New Codes**

The existing codes could not facilitate ease of business and safeguard employees in a dynamic global economy. So, the government claims the new labour codes will provide greater flexibility, certainty for employers, better protection, and worker benefits. Thus, significant changes in formal

and informal sectors will overhaul workplaces by improving working conditions and revamping existing processes to achieve more sustainable company outputs (Sharma 2022).

The new Code eliminated the employment schedule, which has prevented the inclusion of several employment sectors, including women's employment, such as domestic work. Another good feature of the Code is that it tries to provide a national floor wage, below which no State government can fix a minimum wage (Chigateri 2021).

By including gig and platform workers, these codes have catered to the millions of self-employed workers and those working on a contract basis for the service sector in companies like Ola, Uber, Flipkart, Amazon, etc. (Garga, 2023). They have also included agricultural workers. Besides that, the Minimum service requirement for withdrawal of gratuity has been reduced to one year from five years (Bhattacharya 2021).

The introduction of a uniform definition of 'wages' and social security (SS) benefits/scheme for 'fixed-term employees' will impact the existing compensation structure, social security contributions, and retirement/terminal benefits payable to the employees. Some elements of costly compensation are likely to change and have a financial impact, including gratuity, provident funds, leave encashments, maternity benefits, overtime, etc. (Sirwalla 2024).

The 2020 Bill makes provisions for Social Security funds for all three categories of workers -- unorganized workers, gig workers and platform workers. Thus, it opens up the registration for these workers (see The Gazette of India, Ministry of Law and Justice, 29 September 2020). The 2020 Bill states that besides the unorganised workers, the National Social Security Board could also act as the body for the gig and platform workers and suggest and oversee welfare programmes for these workers (prsindia.org 2024b).

These Labour reforms will ensure 'Ease of Doing Business', empowering enterprises by reducing compliance, red-tapism and 'Inspector Raj'. However, implementing the new codes may be challenging (Sabharwal 2023). While the labour codes may be "historic" as they came almost after a century, they are not as "landmark" and "game-changers" as the Central Government claims them to be. It is an exaggeration, to say the least (CLEARIAS Team 2024).

## Concerns over the four new labour codes

The new labour laws divide employees into two categories -- 'workers' and 'employees' -- in a somewhat ambiguous manner with different benefit packages. This means managers (employees working in a managerial/supervisory role) are not likely to get many benefits vis-à-vis 'workers' under the new labour laws (Motiani 2023). It remains to be seen whether the gap between the 'worker' and 'employee' classes' rights are addressed legally or whether they are to be purposefully treated as legislative discretions. A doubt is raised about whether workers' labour rights will be compromised in small units with less than 300 workers, allowing companies to introduce ad hoc service conditions for workers (Drishti IAS 2022).

The rules mandate the registration of all workers (with Aadhaar cards) on the Shram Suvidha Portal to be able to receive any form of social security benefit. This provision would lead to Aadhaar-driven exclusion, and workers are likely to feel discouraged from registering independently (Drishti IAS 2022).

The Occupational Safety Bill 2020 gives the state government undue power to exempt any new factory from abiding by the provisions of the Code for more economic activity and employment (prsindia.org 2024, Ministry: Labour and Employment 2020). This causes concern because human security is compromised for economics and economic activity while not necessarily creating jobs.

The old Bill excluded mines from the definition of a factory, while the new Bill includes mines in the definition. However, if a factory has less than 300 workers, it is exempt from complying with the codes. In Light of the recent number of disasters, the 2020 Bill includes all establishments where any hazardous activity is carried out regardless of the number of workers.

The Bill does not allow contract labour in main or core activities, except 11 works, that include (i) sanitation workers, (ii) security services, and (iii) any activity of a recurrent nature, even if that constitutes the main activity of the organisation (prsindia.org 2024). Thus, a large section of Dalits will be negatively affected as most sanitation workers come from the outcast among the outcast, the Valmiki (Dabhi et al. 2023) and often sanitation work is contractual.

The new code allows the appropriate government to exempt any new industrial establishment or class of establishments from the provisions of the Code in the public interest (Sood 2020). Experience suggests that

without meticulous monitoring, this can be abused by governments in power and when they are in the majority in the name of public interest.

### **Generic Critique of the New Code**

Many of the codes' provisions have been termed anti-worker by the Centre for Indian Trade Union and Workers' organisations ([citucentre.org](http://citucentre.org) 2024). It is called anti-workers because Codes allow employers to hire and fire workers more easily, do not safeguard workers, make it difficult for workers to negotiate and bargain effectively conditions and wages with employers, and compromise their right to strike and protest (Paliath 2020).

Sood (2020) of Jawaharlal Nehru University opined that discussions and narratives presented in different media have encouraged the government to frame policies favouring investors and corporates detrimental to the interest of workers. This discourse focuses on what facilitates investment; growth is primary, not jobs. How specific initiatives are needed to address concerns about women's labour and the low labour participation of marginalised groups are not the primary concerns.

On the one hand, the Prime Minister states, "Dignity of labour has to be our national duty; it has to be a part of our nature" (Luthra & Singh 2022). On the other hand, the government has failed to extend social protection to the vast majority of informal sector workers in the new code, which is predominant in rural areas, including migrant workers, self-employed workers, home-based workers and other vulnerable groups (Current Affairs 2022). Additionally, the Bill does not make SS a constitutional right, though it is one of the objectives of labour laws. Sood (2020) has misgivings about the significant changes in labour codes and whether they have more to offer than the previous codes about safeguarding the rights and benefits of those who need them most.

The Industrial Relation Code 2020 provides for the constitution of Industrial Tribunals and a National Industrial Tribunal to decide disputes. However, it gives the upper hand to the government to modify or reject tribunal verdicts, and such a provision would create a conflict of interest and violate the principle of separation of powers between the executive and the judiciary (IASGYAN 2020).

The new code does not notice and recognise invisible labour, which is called unpaid work, which is important, and thus, it remains unregulated. Childcare, household work, and looking after the elderly are some examples of unpaid work and constitute invisible labour. Most invisible workers are

women, and they have the most tedious work schedules with no weekends off, no regulated work hours, no vacations, no recognition, and thankless chores (Drishti IAS 2022).

Some regulations of the 2020 Bill will not apply to establishments with at least 300 workers. Therefore, such establishments may not have to provide data on matters listed in a Schedule to the Code (prsindia.org 2020). These matters relate to: (i) the classification of workers; (ii) the manner of informing workers about work hours, holidays, paydays, and wage rates; (iii) termination of employment; and (iv) grievance redressal mechanisms for workers. Under the old code, a unit with 100 workers was required to seek permission from the government before closing down, firing, or retrenching workers. The new Code does away with this provision and applies only to establishments with 300 workers and more (prsindia.org 2024).

Amit Basole from Azim Premji University said that one contentious provision in the bill is fixed-term contracts, which allow companies to hire workers directly for the short term instead of permanently or through contractors. This will help sectors that require temporary workers seasonally, such as textiles and manufacturing. But, it will give too many concessions to employers (Paliath 2020).

The 2020 Bill requires all persons to give prior notice of 14 days before a strike or lock-out, and valid only for 60 days. The Bill also deters strikes and lock-outs: (i) during and up to seven days after a conciliation proceeding, and (ii) during and up to sixty days after proceedings before a tribunal. This undermines the ability of workers to protest and allows employers to lock out workers (prsindia.org 2020).

The unrelated and inadequate definitions of the terms “unorganised sector” and “unorganised worker” in the SS Code are detrimental to gig workers and exclude them from the unorganised sector (Ramaswamy and Binnuri, 2023). Let me cite an example of Gujarat, where the Factory Act was amended to be detrimental to workers' safety and security. By promulgating the ordinance [The Factories (Gujarat Amendment) Bill, 2020: Gujarat Bill No. 17 of 2020.] the Government of Gujarat has substituted “twenty” in the place of “ten” and “forty” in the place “twenty” in Factory Act. The ordinance's effect is that the industrial units functioning with the aid of power employing less than 20 workers and those functioning without the aid of power employing less than 40 workers shall stand excluded from the definition of ‘factory’ under the Factories Act.

There are thousands of power-aided industrial units in Gujarat employing less than 20 workers, and thousands of industrial units function without the aid of power and employ less than 40 workers. The management of such industrial units shall have a free hand to violate the provisions relating to health, safety, hygienic working conditions, working hours for women and children, etc., and they cannot be prosecuted under the Factories Act. The employer will be immune to penalties.

### **Concerns with Wages Code**

Wage Code concerns are critical to the unorganised sector workers; thus, they call for attention. In the following section, we address a few problems.

Contractual workers have insecure working conditions and fewer salary and social security benefits rights than permanent employees (Lambha & Kumar 2023). Fixing the minimum wage based on geography, skill, difficulties faced in the work, etc., might give administrators a lot of discretionary power since many of these factors are not easy to measure. This might lead to adverse effects like lobbying by strong vested interests.

The formula for determining the minimum salary and the specific authority tasked with establishing it is ambiguous and open to misinterpretation and defeating the purpose. Thus, the clause for the deduction of wages may be arbitrary and it might prevent workers from unionising out of fear of a deduction in wages.

Under its purview, the Code does not include home-based workers, which comprise a large number of women. Similarly, it does not include ASHA and Anganwadi workers, referred as ‘honorary and scheme workers. The government does not recognize them as workers, but who ought to enjoy all the benefits associated with employment, including minimum wages. The ambiguity and exclusion from applicability is a serious blow to so many sectors of informal women workers who have fought for years to be recognized as workers and have minimum wages extended to them (Drishti IAS 2022).

The Code omits the principal employer’s liability to pay wages if the labour contractor fails to do so. The principal employer is defined broadly in the Code, making it difficult to pinpoint responsibility for the payment of wages. Parties can wash their hands and deny the workers their right to wages (Lamba & Kumar 2023).

The Code also takes away the jurisdiction of courts in providing justice to



workers who have faced violations concerning their wages. This means that workers can no longer access courts to contest the wages paid to them by their employers (Lamba & Kumar 2023), but can only approach the quasi-judicial body and appellate authority set up under the provisions of the Wage Code. In place of a judicial magistrate, a new provision has been added to Section 52 of the Code, which provides that an officer not below the rank of secretary will have the right to impose a penalty. This clause contradicts Article 50 of the Constitution, which mandates that the judiciary and the executive be kept separate (Negi 2022).

### **Way Forward**

The new labour codes have both pros and cons and time will determine its effectiveness. Many governments' track records in favour of labour, especially the one in power, are very poor. In this context, the rules need to specify in detail how they will apply to the informal workforce of migrant workers.

Taking into account the rural-urban differences, quality of life, economy, per capita, and consumption, fixing the minimum wage in a federal democracy is complex, giving rise to income inequality and shrinking aggregate consumption and expenditure in the economy (Bardhan 2024). Not only does this impede growth, but it pushes the lower-income groups into a poverty trap – both in terms of income and wealth. High inflationary expectations can cause inflation to shoot up in the short run and further diminish the purchasing power of the lower-income group - deepening the already existing poverty trap (Bardhan 2024). Therefore, it is suggested to bring greater clarity on the formula for fixing the minimum wage and also on the particular authority designated for setting the minimum wage.

The basic provisions for enforcement of wages, provision of social security, safety at the workplace, and decent working conditions, should apply to all establishments, regardless of size (IASGYAN 2020).

The definitions and differences such as 'employee', 'worker', 'unorganized sector', 'unorganized worker' and 'establishment' require clarity and it should provide more inclusivity (Chigateri 2021). For example, arbitrary and restrictive definition of the unorganized sector does not relate the sector to unorganized workers. The reading of the provision gives the meaning that unorganized sector comprises of individual or self-employed workers who provide goods or services; it does not mention wage workers, who are considered unorganized workers as per the definition in subsection 86 of

the SS Code (Ramaswamy and Binnuri 2023). Yet another example, the Codes on wages, occupational safety and social security contain the same definition of “contractor”, the code on industrial relations does not define the term (<https://prsindia.org/billtrack/overview-of-labour-law-reforms>).

The ambiguity of terms needs to be addressed so that the term ‘wages’ can be ascribed to employees or use the term ‘worker’ in place of ‘employee’. It is further recommended that the distinction between the two terms be shifted to a sectoral basis, namely, whether the person is employed in the organised or unorganised sector (Ramaswamy and Binnuri, 2023).

Identifying hidden labour as soon as possible, it is necessary to implement a national policy to protect the rights of domestic workers and improve working conditions. Workers in unorganised industries must also be provided with a solid, stable and adequate social security package (Lambha & Kumar 2023; Chigateri, S. (2021).

There must be special provisions for the lower real wages and poor working/living conditions for toddy tappers, scavengers, carriers of head loads, drivers of animal-driven vehicles, loaders and unloaders of the unorganised sector (Vikaspedia 2020). Unorganised workers also require welfare services like death benefits, compensation for accidents at the workplace, and old age pensions in the ‘risk cover mode’. Despite these new Codes, there is a danger that many workers may remain excluded (Lamba & Kumar, 2023).

In the context of flexibility to adjust production and employment to changing business conditions and corrupt practices, the workers also need health and safety rules, job security, collective bargaining rights, and minimum salaries and wages. Therefore, there must be room for legal recourse to labour cases when other avenues fail.

Ultimately, the government has to ensure that they are implemented with honesty and integrity. A study by Mansoor and O’Neil (2021) indicates the positive effect of minimum wages. Furthermore, they also found that higher wages translate into higher consumption. Given these results, they suggest that it is essential that labour market reform includes effective regulation and enforcement regimes.

Given the state and nature of the unorganised sector, the registration procedure must be made easy and less bureaucratic, adhering to the underlying objective of the Code, i.e., provision of social security, by

subjecting it to fulfilment of a bureaucratic condition.

Do away with demanding Aadhaar Card number from an employee/worker, including an unorganised worker, to have social security or use the career Centre's service as per the 2020 Bill, which encroach upon the Supreme Court's Puttaswamy-II judgement, which states that the Aadhaar card or number can only be demanded for Consolidated Fund of India subsidies, benefits or services.

Other facilities are required to promote labour participation. Daily wage earners of the unorganised sector gather at public places daily to sell their labour (Bharti et al. 2023). Therefore, to ease the process of earning their daily wages, decent spaces must be available in cities and towns where unorganised labourers can gather in search of adequate employment. These spaces must be equipped with lighting, adequate and hygienic drinking water, and toilets for women and men with flowing water.

Labour wages are related to the nature of work, the ability to work and the skills one has. The government needs to provide some Taluka-level training centres where unorganised workers can find opportunities to enhance their traditional skills and learn other skills with stipends to 'Labour Card', BPL, and APL card holders. Gender equality must be addressed in these skilled-building centres. Inadequate availability of skilled labour can be addressed through a partnership with NSDC.

Laws are not just a matter of legality and law and order. Laws and lawmakers are products of their culture and social systems. The strong patriarchy, gender biases, varna-caste hierarchy and discrimination, and religious biases are part of our social fabric, and they influence the minds and values of policymakers. The labourers that are engaged in menial, unorganised sectors come from Scheduled Castes, Tribes, and Muslim minorities. It is a known fact that the higher middle class and the elite in India are not only from the higher class but also from the so-called upper caste. The lawmakers and judges come from the same communities. Therefore, there is all the more reason that lawmakers have to be mindful of these social systems and their influence on the law while framing them so that they are fair and just. □

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