

NIKITA LAMBA¹, PANKAJ KUMAR²

Analysis of the New Labour Code in India³

Submitted: 12.02.2023. Accepted: 30.03.2023

Abstract

Economic expansion requires jobs and safe, dignified workplaces. India's growth story has remained incomplete due to a lack of required employment growth. The new law consolidates 44 primary labour laws into four main labour codes: pay, industrial relations, occupational safety, working conditions and social security. It was a conniving move on the part of the government to completely overhaul our labour laws. Given that we typically lack mean labourers by a significant margin, the question that remains is whether or not this can attract investors. There are several challenges that must be overcome before the economy can reach \$5 trillion in 2025.

Keywords: labour law, workers, employee, occupational safety, employment, domestic workers.

¹ Nikita Lamba, PhD – Manipal University Faculty of Law, Jaipur (India); e-mail: nikita.181301064@muj.manipal.edu; ORCID: 0000-0002-0176-0242.

² Pankaj Kumar, PhD – Manipal University Faculty of Law, Jaipur (India); e-mail: pankaj.kumar@jaipur.manipal.edu; ORCID: 0000-0002-4650-4330.

³ The research in this article has not been supported financially by any institution.

NIKITA LAMBA, PANKAJ KUMAR

Analiza nowego Kodeksu pracy w Indiach⁴

Streszczenie

Ekspansja ekonomiczna wymaga stanowisk i bezpiecznych, godnych miejsc pracy. Historia rozwoju Indii pozostaje niedokończona z powodu braku wymaganego wzrostu zatrudnienia. Nowa ustawa scala 44 podstawowe przepisy prawne dotyczące pracy w cztery główne kodeksy pracy odnoszące się do płacy, stosunków w branży, bezpieczeństwa i warunków pracy oraz ubezpieczenia. Ze strony rządu był to przebiegły ruch, by zrestrukturyzować nasze przepisy dotyczące pracy. Biorąc pod uwagę to, że w znacznym stopniu brakuje nam wykwalifikowanych pracowników, pozostaje pytanie, czy to przyciągnie inwestorów. Trzeba podołać kilku wyzwaniom, nim gospodarka osiągnie poziom 5 bilionów dolarów w roku 2025.

Słowa kluczowe: prawo pracy, pracownicy, pracownik zatrudniony, bezpieczeństwo pracy, zatrudnienie, pracownicy krajowi.

⁴ Badania wykorzystane w artykule nie zostały sfinansowane przez żadną instytucję.

Introduction

Work is essential to human dignity, well-being, and growth because it contributes to one's development as a human being. Economic expansion requires jobs and safe, dignified workplaces. India's workforce is organised and unorganised. India's main socioeconomic issue is poverty. Their troubles stem from poor quality employment, low and insecure salaries, and bad work environments, regardless of where they work. India, the second largest economy after China, had 501 million workers in 2020. Agriculture employs 41.19% of the workforce, industry 26.18%, and services 32.33%. India's growth history has remained incomplete due to a lack of required employment growth. From 2000 to 2009, the Indian economy increased 8%, but employment growth was modest. Female labour force participation is low in India. The new law consolidates 44 primary labour laws into four board labour codes: pay, industrial relations, occupational safety, health and working conditions and social security. Endowed, wealthy Aatmanirbhar India requires worker empowerment. After 73 years of independence, 90% of workers are unorganised and do not receive all social security benefits. Organised and unorganised labourers earn around 50 crores. Multiple labour laws ensnared the working class. Workers may now easily get security, respect, health, and other welfare measures after 29 laws were codified into four Codes.⁵ The Second National Commission of Labour, reported in 2002 that India had a multiplicity of Labour Laws and that they should be integrated into extensive groups such as industrial relations, wages, social security, safety, welfare, and working conditions to improve amenability and uniformity. The Commission advised this because labour rules were out dated, confusing and inconsistent. The Commission suggested streamlining labour regulations for transparency and uniformity.

Why Reforms Are Needed

Only 8% to 9% of Indian workers are covered under the labour rules. Unorganised labour gets exploited. India's labour laws favour organised workers, hindering

⁵ GOI, *New Labour Code For New India*, Press Information Bureau, 2020, May, <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2021/oct/doc202110531.pdf> (access: 13.09.2022).

business. Implementing labour laws makes industries distrustful and heavily inspected. Small labour-intensive firms give India no manufacturing advantage. Studies demonstrate that states with fewer labour rules have increased labour-intensive firms and jobs more quickly. Economists and industry groups blame labour market inflexibility for India's employment decline. Labour laws protect employment, not employability. They affect long-term labour demand and have forced the organised sector to use capital-intensive approaches. These rules encourage businesses to hire more temporary or contract workers than permanent ones. Companies do not train temps. Apprenticeships increase with Indian labour market legalisation. Labour constraints restrict firms from adjusting to demand and technology shocks. They compete poorly with labour-market-free enterprises. Enterprises are shrunk by these laws. In labour-intensive sectors like garments and textiles, where labour markets are more flexible, Indian manufacturers lag behind China, Bangladesh, Vietnam and others.

Which Changes Are Necessary

The creation of new jobs must be the primary focus of the government. Despite an increase in the number of people working full-time, unemployment is at its highest level in 45 years. In such a scenario, rather than rushing through any significant rule changes to existing worker rights for the sake of simplification, the government would do better to reach a wider consensus. The enforcement apparatus must be strengthened for labour laws to be put into effect properly. More people should be working on them and better infrastructure is needed. To offer labour administration specialists, the Whole India Service for Labour Management must be formed. Contract blue-collar workers should be insured under the Workmen's Compensation Act in case of an accident, and they should also be eligible for limited social safety benefits under the Employee State Insurance Act and the Maternity Benefit Act. Businesses in the formal sector account for 80% of manufacturing output in India, and businesses in the informal sector account for the same amount of manufacturing employment. The fact that one group of businesses accounts for the majority of employment, while another group of businesses accounts for the majority of output is a fundamental disconnect. Additionally, it has established a labour aristocracy that works to preserve its privileges while effectively enslaving the majority of industrial workers in informal businesses. India's labour markets cannot function effectively without the following reforms:

- Work ought to be moved to the 'State List', due to the fact that labour is included in the concurrent list of the constitution, the governments of both

the national and state levels legislate on it. Since state governments only have a partial amount of room to ratify labour laws to meet their own necessities for encouraging investment and the creation of new jobs, shifting labour to the 'State List' is in everyone's best interests.

- ❑ Legislation must provide a common definition for terms like *industry* and *worker*. Workman should be referred to as an 'employee' and industry as an 'enterprise' for better comprehension and interpretation. To encourage micro- and small businesses, a separate set of simple labour laws covering employment relations, wages and social security ought to apply to businesses with fewer than 50 employees. According to a recommendation made by the 2nd National Commission on Labour, these businesses, which are referred to as 'smaller enterprises', should not be subject to the Industrial Disputes Act of 1947 and the Industrial Employment (Standing Orders) Act of 1946.
- ❑ All labour laws, penal provisions need to be re-examined and any instances in which the penalty of imprisonment is present ought to be converted into monetary fines. Employers' anxiety and compliance costs will decrease as a result.
- ❑ A distinct, autonomous judicial system for labour-related problems may be established because the judicial system is already overburdened. It ought to be given the responsibility of interpreting all labour regulations and laws. No records are kept of the many labourers who move from one state to another. To investigate their issues, an Inter-State Council ought to be established. The enforcement apparatus should be strengthened for labour laws to be put into effect effectively, there needs to be more people working on them and better infrastructure. An All India Service for Labour Management must be established to deliver labour administration professionals. Regular Lok Adalats may speed up the process of resolving cases.
- ❑ Digital sharing of registered job seekers' data and the digitisation of the Employment Exchanges ought to be mandated for all Employment Exchanges.
- ❑ In order to prevent workers from suffering in the future, an insurance programme for those who were laid off should be implemented from the beginning of the industry's operation.

'Code' Blocks

However, industry professionals contend that the government must plan the implementation in stages, regardless of the organisation's size or scale, a phased implementation will guarantee sufficient time for implementation. Additionally,

timely education of the workforce, managers, and management is required. The labour code can only be applied forward, not backwards. Even though there may be divergent viewpoints regarding the implementation of the labour code throughout India, providing a specific start date is essential to success. As a result, businesses will be able to adhere to predetermined project milestones. The most difficult aspect of labour reform is preserving workers' rights while simultaneously encouraging employment growth. Although the Codes amalgamate and streamline prevailing laws to some amount, they do not always satisfy all needs. Although the Codes largely rationalise the definitions of various terms, they are not all consistent. For instance, the industrial relations code lacks a definition of the term *contractor*, although the wage, occupational safety and social security regulations all have the identical definition. Finally, despite the government's assumption that 40 core labour laws would be merged, the four Codes only replace 29 laws.⁶

Ambiguous Aspects of the Present Labour Reforms

Facilitator and Inspector: The new guidelines have clarified the function of 'Inspector-cum-Facilitator', which includes both checking for conformity and aiding firms in obtaining it. The 'facilitator' role appears to be a novel component, and it may conflict with the traditional duties of an 'inspector'. MNCs and local enterprises have turned to alternate ways, such as hiring bond labour for fewer than half the salary of a full-time worker, due to the predominantly harsh labour regulations known as Inspector Raj with exploitable gaps. The Code on Occupational Safety, Health, and Working Conditions does not comprise establishments that are charity or non-profit in nature. In point of fact, India does not have any central legislation that sets the rules for charities or charitable organizations.

No gratitude for invisible labour: Invisible labour refers to the component that is not recognised or recognized at all and, as a result, is not regulated. In general, unpaid labour is referred to as invisible labour. Certain examples of unpaid work and unseen labour include child care, housework, and elderly care. Child care, housework, and geriatric care are instances of unpaid and unseen labour. Most of invisible employees are women, and their work schedules are the most repetitive, no working hours, no vacations, no recognition, no unpleasant chores, and, of course, no money. When the four new codes are presented, none of them mention

⁶ M. Sharma, *New labour codes: Changes, challenges, and impact for employees and employers*, "People Matters" 11.07.2022, <https://www.peoplesmatters.in/article/other-employee-benefits/new-labour-codes-changes-challenges-and-impact-for-employees-and-employers-34517> (access: 3.10.2022).

invisible labour.⁷ In terms of exclusion, the proposed laws compel all employees having Aadhaar cards to register on the Shram Suvidha Portal before receiving any social security benefits. As a result, due to a lack of knowledge, workers would most likely be unable to register on their own, resulting in Aadhaar-driven exclusion. Urban-centric, the codes do not provide any kind of social protection to the vast majority of workers in the informal sector, including migrant workers, self-employed workers, home-based workers, and other vulnerable groups, who are more common in rural areas.

Impact of delaying labour reforms: India's position as an investment destination would suffer greatly if labour reforms were not implemented promptly. Additionally, the economy would suffer greatly as a result of underrated GDP production, indicating the urgent need for improvements. The fact that 94% of India's labour dynamism works in the unorganised sector demonstrates how significantly undervalued India's GDP is. This is because, for the same output, these employed individuals earn significantly less than permanent workers. India's vast labour force has been misappropriated as a result of improper regulations and complexity.⁸ The current labour reforms lack emphasis on apprenticeship, which is yet another major flaw. Because our educational system is not adaptable to the demands of the market, apprenticeships become crucial. Inappropriate cases should have been given the authority to grant injunctions without forcing litigants to go to court for such interim relief. It is common knowledge that authorities' quasi-judicial powers have not performed satisfactorily, so tribunals should be constituted as an appeal court.

Establishments Covered by Labour Legislation

The majority of labour rules apply to companies greater than a specific size (typically 10 or more). Establishments having less than a specified number of employees may be discouraged from complying with labour standards. Furthermore, these regulations only apply to the organised sector, which employs around 7% of the total. Because there are no particular provisions for their benefits, employees of tiny start-ups, micro-, small and medium enterprises, and small firms with fewer than 300 employees are not protected by social security. It could be argued that all establishments ought to be covered by fundamental safeguards regarding wages, social security and working conditions. Migrant workers, self-employed employees

⁷ D. Ias, *Centre's push for labour codes*, Drishti IAS, 13.07.2022, <https://www.drishtiias.com/daily-updates/daily-news-analysis/centre-s-push-for-labour-codes> (access: 28.09.2022).

⁸ H.L. Kumar, *New codes and earlier labour laws*, "Labour Law Reporter" 12.11.2020, <https://labourlawreporter.com/comparison-new-codes-and-earlier-labour-laws/> (access: 1.11.2022).

and other weak populations in rural locations are not enclosed by social security. Businesses would be able to impose arbitrary service restrictions on their employees as a result of this. It has been proposed that small enterprises be excused from the request of different labour regulations in order to lessen the regulatory load put on growing sectors and support fiscal development. However, establishment sizes that fall below certain numerical thresholds may be discouraged from complying with labour regulations. Some states have increased the application threshold in their labour laws to encourage the growth of smaller businesses. Some contend that basic wage enforcement, social security, workplace safety and fair working conditions should spread to all enterprises, irrespective of size. In this context, the NCL proposed a distinct legislation for small-scale units with less than 20 employees, with less rigorous regulations for circumstances such as salary disbursement, welfare amenities, social security, layoff and closure, and dispute resolution. Increased thresholds for certain labour laws in Rajasthan stemmed in a growth in, according to the Economic Survey, 2018–2019. Additionally, the National Commission for Enterprises in the Unorganised Sector (NCEUS) prepared a number of commendations to lecture social security and minimum working conditions for both agricultural and non-agricultural workers. According to the Economic Survey (2018–2019), about 93% of the entire workforce is informal.⁹ According to the International Labour Organization (ILO), just 10% of its member countries have relieved small firms from all labour regulations. The majority of countries have a hybrid tactic to labour regulation. Health and safety rules, for example, encompass all employees in the United States, the United Kingdom, South Africa and the Philippines, with the exception of domestic assistance in the United States and the United Kingdom. Specified requirements imposed by these regulations, however, are only applicable to firms with more than a certain number of employees. In the United States, for instance, establishments with fewer than ten employees or those operating in low-hazard industries are exempt from the requirement to keep records of work-related accidents.

Thresholds for Lay-Off, Closure and Retrenchment

The Standing Committee on Labour (2009) advised the government to balance the need for enterprises to be economically effective with prior notice, sufficient pay and other advantages for laid-off workers. The NCL recommended allowing

⁹ PRS, *Overview of labour law reforms*, PRS Legislative Research, <https://prsindia.org/billtrack/overview-of-labour-law-reforms> (access: 3.11.2022).

unprofitable enterprises to shut after examining the causes behind their failure. Thus, all enterprises should be required to obtain prior authorisation before closing. Layoff and retrenchment should not require prior approval. To balance workers' interests, they must be consulted, given proper warning and compensation, and given legal redress against the closure. It also advised that the government give involvement-based joblessness insurance to Employees' Provident Fund Act-covered enterprises to support laid-off or closed personnel. Reemployment or one year would end the benefit. According to a 2020 ILO study, just 22 countries – including India, Pakistan and Thailand – require public authorities to allow collective dismissals, and seven of these – including India, Sri Lanka and Colombia – do not need workers' senates to be contacted. However, most nations notify workers' representatives and authorities without prior authorisation.¹⁰

Contract Labour

Labour compliance and economic factors have expanded contract labour utilisation. Contract workers have poor earnings, no job security or social security, and no collective bargaining rights, according to the NCL. Contract workers have little safeguards and cannot be regularised if the government bans them, making them more vulnerable. The NCL also acknowledged that contract labour lacks job security, social security, cooperative bargaining rights and pay. In a 2017 acquiescence assessment of railroad contract labour, the CAG found that in many situations, the railways failed to deliver the needed paperwork, suggesting poor compliance. 37% of contractors did not get permits, 28% did not pay minimum salaries, 75% did not register for the ESIC, and no inspections were done. Before paying contractor invoices, a thorough compliance checklist should be needed from firms listed with the labour department, the EPFO, or the ESIC. To protect contract employees' rights, the NCL advocated that the major employer be responsible for providing social security and additional remunerations to contract workers, that workers not be hired as temporary workers against permanent employment for more than two years, and that contract workers be paid the lowest wage of workers in equivalent skill grade if such worker does not exist.¹¹

¹⁰ Ibidem.

¹¹ Ibidem.

Trade Unions

The NCL argued that the Trade Unions Act should have limited 'outsider' trade union membership. Negotiation unions with 51% of members are recognised by the Industrial Relations Code. A negotiation council may be established in the absence of such support. However, the Code does not provide voting methods. Outsiders can still participate up to 33%, with a maximum of five. In unorganised sector unions, up to 50% of members may be outsiders. However, the requirement of a two-week notice for strikes weakens collective bargaining rights under the Code. Labour Relations Commissions may choose to use secret ballots to select the negotiating union in businesses with fewer than 300 employees in order to reduce the likelihood of the company's management being victimised. In 2009, the Standing Committee on Labour suggested allowing employees in the unorganised sector to create trade unions with some number of workers and register them, even if an employer–employee connection does not exist or is grim to institute. To counteract unorganised sector unionisation, this was done.

Delegated Legislation

According to the Indian Constitution, both the Central and State Governments have the authority to enact legislation pertaining to labour. In 2020, the Parliament adopted all four labour laws after the Centre pre-published the draught rules, some state governments have not completed the process. Because of this, several labour laws have been passed to regulate employment, occupational health, and safety. Thus, duplicated labour and legal gaps made worker exploitation simpler. India's few Labour Enforcement Officers likewise struggle to implement this convoluted legal structure. The legislature is authorised by the Constitution to pass laws, and the government is tasked with carrying them out. The legislature often passes generic laws and delegated particular regulation to the government to promote efficiency and flexibility. However, the government should not have some powers. These involve legislating legal concepts. Rules should follow the delegating Act. Which issues should the legislature handle and which should the government?

Emerging Challenges

Independent work also includes task-based 'crowd-work' on digital platforms and 'on-demand jobs' like taxi and restaurant aggregators. According to government

figures, 10–15% of US and EU individuals work ‘independently’. The Codes must decide whether to distinguish between self-hired people who mostly operate with a single platform and may have some influence over their conditions of work, such as aggregators, and those who have full control over their terms of service, scheduling, and payment terms. If so, the Codes will prerequisite to contemplate how extent the latter group should be granted employee privileges. Independent contractors in the gig economy do not get social security or other labour rules.¹²

Some Other Concerns About the New Wages Code

The formula for determining the minimum salary and the specific authority tasked with establishing it are ambiguous. The determination of minimum wages based on factors such as location, work skill and difficulty, and other factors could give administrators a lot of discretionary authority because many of these factors are hard to measure. This could have negative consequences, like lobbying. Workers may be reluctant to join a union out of fear of wage deductions due to the arbitrary nature of the wage deduction clause. The major employer is not responsible under the Code if the labour contractor fails to pay wages. The Code has a broad definition of the principal employer, making it difficult to identify who is responsible for paying wages. Since the majority of Indian workers are contract workers this is a significant issue. In place of a judicial magistrate, a new provision has been added that gives an officer who is notified the authority to impose a penalty. A key judicial duty is now being attempted to be ceded to the executive, in contravention of Article 50 of the Constitution. Neither the Code nor the Rules specify the credentials or experience necessary for the appointment of the competent authority.

Concerns About the New Industrial Relations Code

It will make it harder for workers in small businesses with fewer than 300 employees to exercise their labour rights, and it will give businesses complete freedom to hire and fire workers, allowing for arbitrary service conditions. The new conditions for a legal strike make it nearly impossible for workers to go on a strike because they extend the legally permissible time frame. The Standing Committee on Labour advised beside it beyond public utility services including water, electricity, natural gas, telephone, and other critical services, but it has grown to encompass all industrial

¹² Ibidem.

institutions for the requisite notice time and other legal strike circumstances. The reskilling fund appears to be framed arbitrarily, and the source of the entire fund is unclear. The phrase *other sources* for the re-skilling fund's funding is ambiguous. Because the Code has no clue where the money for the reskilling fund will come from, other than employer payments, the fund's form is arbitrary. These issues are left to bureaucrats and regulation procedures, and there are also concerns about who will retrain employees and how much money will be sufficient. Additionally, uniform provisions for part-time employees have not been included in the codes.

Concerns About the Code on Social Security, 2020

First, the Code maintains thresholds for making certain benefits mandatory based on establishment size. Benefits like a pension and medical insurance are still only required for businesses with a minimum number of employees (like 10 or 20). The government may notify discretionary schemes that cover all other types of workers, including self-employed workers and workers in businesses with fewer than ten employees. It is possible that many workers will continue to be excluded. Provisions regarding gig workers and platform workers are ambiguous: an app-based taxi aggregator driver has no employer-employee connection. Appointment letters, social security benefits, work hours and driver choices are not supplied. Because the employment may fall outside a 'traditional employer-employee relationship', he or she is 'gig worker'. Drivers can only apply online. This qualifies as a 'platform worker'. Because he may be self-employed, such a driver may also be an 'unorganized worker'. Because the definitions overlap so much, it is not clear how these kinds of worker schemes will work. Aadhaar mandatory linking may violate a Supreme Court ruling: An employee/worker, including an unorganised worker, must provide his or her Aadhaar number in order to have social security benefits or use career centres' services, according to the 2020 Bill. This may encroach upon the Supreme Court's Puttaswamy-II judgement, which states that the Aadhaar card or number can only be needed for Consolidated Fund of India subsidies, benefits or services. This reasoning prompted the Court to conclude that linking bank accounts to Aadhaar is illegal. Aadhaar may not be required to get gratuity and provident fund (PF) benefits since employees and employers pay for them, not the Consolidated Fund of India.

Concerns About Occupational Safety, Health and Working Conditions, 2020

The common rules in the Code are applicable to all businesses; these include regulations regarding employer responsibilities, return filing, and registration. It also has protections for workers in mines and factories, the audio-visual sector, journalism, sales promotion, contract labour, and construction. It could be debated that certain types of hazard-prone establishments, like mines and factories, require specific health and safety regulations. Only licensed businesses may be permitted to operate mines and factories. In a similar vein, certain groups of susceptible workers, such as contract workers and migrant workers, may necessitate special provisions. However, it is unclear why special accommodations for other employees are required. The 2020 Bill prohibits civil courts from hearing any Bill-related cases. The Bill stipulates that an organisational appellate authority must be reported whenever individuals are harmed by authorities' orders, such as when factories' inspector-cum-facilitator issues an order or contractors' licenses are revoked. However, there is no judicial procedure for resolving disagreements regarding the Bill. Under the 13 health and safety statutes, labour courts and industrial tribunals consider worker rights claims such wages, hours, and leave. The Bill excludes civil courts and does not define whether these labour courts and tribunals can hear issues under it. The 6th Economic Census (2013–2014) found 13.1 crore persons employed by 5.9 crore enterprises in India, 72% of which were self-hired. 28% of them employed at least one worker. 79% of workers worked in businesses with less than ten employees. Labour laws must balance worker rights with company production and growth to provide jobs. Businesses should be allowed to adjust production and employment to changing business conditions. Workers also need health and safety rules, job security, collective bargaining rights, and minimum salaries. This also requires a conflict-resolving and rights-enforcing labour administration. Corruption and rent-seeking have also developed as a result of the high administrative burden. Businesses are increasingly turning to contract labour in order to circumvent the rigid hiring and firing procedures that prevent them from adapting to production demands. In factories, the proportion of total workers who are contract workers increased from 26% in 2004–2005 to 36% in 2017–2018, while the proportion of workers who are directly employed decreased from 74% to 64% during the same time period. Contract workers have insecure working circumstances and fewer rights to salary and social security benefits than permanent employees. Several studies have also revealed that India's labour law enforcement is inadequate, that collective bargaining fails because negotiating agents are not recognised, and that labour rules do not cover all workers. According to the Periodic

Labour Force Survey Report, 70% of unvarying wage non-agricultural workers had no inscribed contract, 54% were not entitled for paid leave, and 52% had no social security benefit (2018–2019).

Solutions

Education for a Career: To maximise and empower India's labour force, recognition and accreditation agencies for vocational training institutions must be established. In order to make it easier for students and vocational trainees to move between streams, a framework that links academic education and vocational training needs to be developed.

Security Insurance: Legislation aimed at improving the well-being of unorganised workers ought to be enacted by state governments. This legislation ought to make it abundantly clear which institutional mechanisms, benefits and resources are required. Unorganised workers also require welfare services like death benefits, compensation for workplace accidents, and old age pensions in the 'risk cover mode'.

Employment Information Service: E-governance-based employment information services enable new efforts to ensure employment in economically deprived communities. Both the private and public sectors should share information about job openings with the lowest levels.¹³ The majority of the provisions of the codes serve as restorative justice for past harms by integrating problem-solving with a forward-looking approach. We must also be proactive in protecting employees and resolving issues concerning automation and robots, AI-powered workforces and bio-engineering, which might harm workers' rights in the prospect.

Taking Care of Migrant Workers: It is essential for the draft rules to specify in detail how they will apply to the informal workforce of migrant workers. The 'one India, one ration card' approach that the government is pursuing is a step in the right direction in this regard.

Underestimating CSR Spending: In the context of CSR expenditures, major corporate entities should also take on the task of educating those working in unorganised sectors as part of their CSR obligations. Identifying hidden labour, as soon as possible, a national policy to protect the rights of domestic workers and improve working conditions must be implemented. Workers in unorganised industries must also be provided with a solid, stable and adequate social security package.

¹³ D. Ias, *op. cit.*

Conclusion

India's labour force has long been a significant competitive advantage. It is critical to retain and increase this competitive edge by making it simpler to do business in the country by simplifying and combining labour legislation at the federal and state levels. The request for further action to improve economic development implies considerable reforms in labour market governance, which past administrations pledged but did not achieve. Given the political will and agreement from both parties, there may not be a better time to do that. Our labour laws have been made more flexible by the government, leaving employees currently at the mercy of their employers, everything, from their working conditions to their wages, is up to the employer's discretion. Given that we typically lack mean labourers by a significant margin, the question that remains is whether or not this can attract investors. It was a conniving move on the part of the government to completely overhaul our labour laws and allow states to modify their domestic laws to erupt laws that could attract foreign investment while undoubtedly compromising the safety of the nation's own workers for a very long time, if not indefinitely. The regulations have been updated to reflect the present level of industrial and fiscal activity; nevertheless, there is still a long way to go before they are able to find a middle ground that is satisfactory for both the employees and the industry. There are several challenges that must be overcome before the economy can reach \$5 trillion in 2025, and one of these challenges is the myriad of labour-related problems that exist. The government is making an effort to impose a variety of work-related policy changes. Labour reforms are an urgent necessity, not merely as a push toward 'Make in India' and the comfort of doing business, but also to safeguard that the demographic dividend does not become a nightmare in the form of unemployment and under-employment.

Bibliography

- GOI, *New labour code for new India – press information bureau*, Press Information Bureau, 2020, May, <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2021/oct/doc202110531.pdf>, (access: 13.09.2022).
- Ias D., *Centre's push for labour codes*, Drishti IAS, 13.07.2022, <https://www.drishtiiias.com/daily-updates/daily-news-analysis/centre-s-push-for-labour-codes> (access: 28.09.2022).
- Kumar H.L., *New codes and earlier labour laws*, "Labour Law Reporter" 12.11.2020, <https://labourlawreporter.com/comparison-new-codes-and-earlier-labour-laws/> (access: 1.11.2022).

PRS, *Overview of labour law reforms*, PRS Legislative Research, <https://prsindia.org/billtrack/overview-of-labour-law-reforms> (access: 3.11.2022).

Sharma M., *New labour codes: Changes, challenges, and impact for employees and employers*, "People Matters" 11.07.2022, <https://www.peoplesmatters.in/article/other-employee-benefits/new-labour-codes-changes-challenges-and-impact-for-employees-and-employers-34517> (access: 3.10.2022).