Equal Pay for Equal Work & Contract Labor: an Indian Perspective

Saroj Kumar Barik, Bighnesh Dash Mohapatra & Chandan Kumar Sahoo

Equality and non-discrimination is one of the fundamental principles of international laws;, it is established in the form of laws related to the working class and the constitutional frameworks of many countries, including India. Ironically, the principle of equal pay for equal work appears to be a far-reaching objective for contract workers in India. Very little progress has been made in this area despite the Contract Law (Regulation & Abolition) Act of 1970. Although the judiciary has also highlighted the functionality, the situation differs greatly from the desired policy outcomes. This study examines the applicability of equal pay for equal work. Some corrective measures are suggested for its effective implementation in light of Indian employment dynamics.

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Introduction

Over the course of the last decade, India has showcased a robust and resilient growth story driven by perseverance, ingenuity, and vision. In the face of unprecedented challenges such as the global epidemic and geopolitical conflicts, the country has demonstrated a remarkable ability to bounce back and convert challenges into opportunities while striving to achieve strong, sustainable, balanced, and inclusive growth (ED-GoI, 2024). Currently, it ranks third globally in terms of purchasing power parity and fifth globally in terms of nominal GDP. However, there is still the requirement of a large labor force to execute the work, especially in developing countries like India. The working class is dominated by employment in the unorganized sector and rising steadily with new informal jobs in labor-intensive sectors like manufacturing. It is pertinent to mention here that whether it is an organized or unorganized sector, the use of con-

tract labor is predominant in most of the industrial sectors in India due to its cheaper cost, easy availability, lesser legal burden, and overall convenience. In the course of labor market deregulation and flexibilization, the inequality between workers with permanent contracts and workers with temporary (or fixed-term) contracts, that is, contracts for a specific period of time, became of great interest (Hipp et al., 2015; Fauser & Gebel, 2023).

The industrialization and economic development have also opened floodgates for the employment of contract laborers to gain a competitive advantage in a cost-effective manner at the cost of exploitation of these mostly poor, ignorant, unskilled workers in India, who can hardly afford the cumbersome legal recourse to obtain justice to protect their interests. In this context, unequal pay has become a matter of serious concern in relation to contract labor in India, considering the plight of this vulnerable section of society. Pay discrimination needs critical analysis of several elements that contribute to such a predicament of the working class in India and also to make all stakeholders aware of the facts of the matter and to take proper steps for the wellbeing of these contract laborers in India.

What is Equal Pay for Equal Work?

The concept of "equal pay for equal work" originated as a way of signifying a criterion of paying for job content rather than for the individual traits of a worker (Figart, 2000). Under the 'equal pay for equal work' principle (or 'equal pay for the same job), provided the complainant and comparator are deemed to be doing the same or equivalent work, and absent any material reason for any contractual differences, they must get the same pay and benefits (Morris, 2024). In addition, equal pay means the principle of non-discrimination in compensation for work. It means the wages should be based on the kind and quality of work done and not according to the age, race, sex, religion, political association, ethnic origin, or any other individual or group characteristics unrelated to ability, performance, and qualification. Equal pay principle, whereby, given a specific occupation, the rate of pay should be the same for both sexes instead of being the same; equal means identical in amount, degree, adequate, uniform, etc. Equal pay means having the same quantity, measure, or value as another, adequate in extent, amount, or degree (Bala, 2020). In this context, there are two basic conditions for equal pay of equal value: they must have knowledge of the details of the two jobs to be compared, and somehow there must be an objective assessment of the components of those two jobs. The first condition is that knowledge can be very difficult to obtain, particularly where there is job segregation, and the second involves a combination of judicial and expert skills (Allen, 2020).

International Perspective

In a global legal context, the most prominent human rights instruments promoting equal pay for work of equal value are the ILO's Equal Remuneration Convention, 1951 (No. 100), and the Conven-

tion on the Elimination of all Forms of Discrimination against Women. Together with the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) they form the international legal and policy framework for promoting the principle of equal pay for work of equal value and non-discrimination in the world of work (Briem, 2018).The adoption, implementation and enforcement of legislation giving full expression to the principle of equal remuneration for work of equal value is a key means of promoting and ensuring equal pay. Although 174 member states have ratified the Equal Remuneration Convention ironically the ground realities of many countries remained substandard even after 70 years of its enforcement. The Universal Declaration on Human Rights (UDHR) stipulates in Article 23 that "everyone has the right to work, free choice, just and favorable conditions of employment, as well as protection against unemployment. Hence, everyone who works has the right to just and favorable remuneration and human dignity, ensuring security for themselves and their families supplemented by other means of social protection.

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The International Covenant on Economic, Social and Cultural Rights (ICESCR) has also emphasized on the principle of equality (Article 7) which says the states and parties to the present agreement recognize the right of everyone to the enjoyment of just and favorable conditions of work which ensure remuneration that provides all workers with fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work. Further Equal Remuneration Convention, 1951 (Article 2) affirms each member shall, by means appropriate to the methods in operation for determining rates of remuneration, promote and, in so far as is consistent with such methods, ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value.To curb any form of discrimination each member state pledges to initiate and pursue a national policy designed to promote, by methods appropriate to national conditions and practices, equality of opportunity and treatment in respect of employment and occupation, with a view to eliminating any discrimination in respect thereof (Article 2 of Discrimination of Employment and Occupation Convention, 1958).Further, the gender pay gap is estimated to be 22.9%; in other words, women earn 77.1% of what men earn globally. The size of the gender pay gap varies by sector, by occupation, by group of workers, by country and over time. It is usually smaller in the public sector than in the private sector and is the highest among older workers.

Indian Perspective

The philosophy of the Indian Constitution is enshrined in the fundamental rights and directive principles of state policy. Among the fundamental rights, Article 14 guarantees "equality before law and equal protection of laws within the territory of India." Article 15 prohibits discrimination on grounds, *inter alia,* of sex. Article 15(3) empowers the state to make any special provision in favor of women. Article 16 guarantees equality of opportunity in matters of public employment. While Article 16(1) ensures equality of opportunity for all citizens, including women, in matters relating to employment or appointment to any office under the state, Article 16(2) prohibits discrimination in respect of any employment or office under the state on the ground, *inter alia*, of sex. The general statements laid down in the preamble have been amplified and elaborated in the Constitution (Bala, 2020). Further, as per Article 39(d), the state shall, in particular, direct its policy towards securing that there is equal pay for equal work for both men and women. Besides the Constitution of India, some other legislation emphasizes pay parity, such as the Equal Remuneration Act of 1976, which was enacted to bring pay parity among men and women. The main objective of the Act was to eliminate discrimination in the workplace based on gender and provide equal remuneration for equal work to employees irrespective of their gender. In addition, for contract labor, the Contract Labor Act (Regulation & Abolition) Act, 1970, and rules made thereof have provisions of equal pay for equal work related to contract laborers in India. Further, the Code on Wages, 2019, expanded the scope and the application of the principle of equal pay for equal work, adopting the gender-neutral approach.

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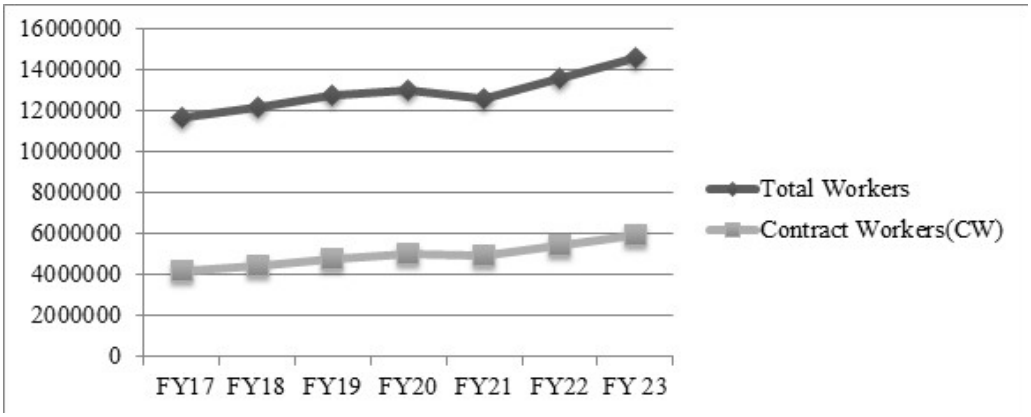
The Conceptual Framework

"Contract laborers" are those workers in India who have been hired in connection with work in an establishment through a contractor, whereas a contractor includes both those who have undertaken to supply workers for work in an establishment and those who would undertake any work in an establishment to produce a given result with the help of contract labor. Elsewhere in the world, contract workers are referred to as "dispatch workers," "labor dispatch", "labor broking," or "temporary agency workers" (ILO, 2015; Srivastava, 2016). A contract worker is one who is employed on a fixed-term or fixed-task basis. Such temporary labor arrangements are often routinely renewed as consecutive fixed-term jobs with no explicit guarantee, whether contractual or legal, of subsequent regular employment. In addition to job insecurity, contract workers are often not entitled to the benefits, both on-the-job and at separation, afforded to employees with open-ended contracts (Basu et al., 2021). Triangular employment relationships, such as temporary agency work (also referred to as 'labor brokering' in

Southern Africa, 'labor dispatch' in different Asian regions, and 'contract labor' in India), have grown throughout the world (ILO, 2016; Berg, 2017).

According to the legal provisions of the Contract Labor (Regulation and Abolition) (CLRA) Act, 1970, "a workman shall be deemed to be employed as "contract labor" in or in connection with the work of an establishment when he is hired in or in connection with such work by or through a contractor, with or without the knowledge of the principal employer." The Act and subsequent rules of 1971 were enacted to regulate the employment of contract labor in certain establishments and to provide for its abolition in certain circumstances, and it applies to every establishment in which 20 or more workers are employed. The principal employers (user establishments) should register their establishments, and the contractors should obtain licenses to be eligible to execute work through contract labor. The contractor should pay wages to their workers on time and in the presence of the representatives of the principal employer. The liability in these matters ultimately falls on the principal employer (Sundar &Sapkal, 2019).The primary control of recruitment, work distribution, and compensation is to be exercised by the contractor, whereas the secondary control is to be exercised by the principal employer, who is the ultimate beneficiary and payer of the work (Kumar & Singh, 2018).

Fig. 1 Contract Workers & Total Workforce in India



Source-Annual Survey of Industries, Government of India

In FY23, a total of 14.61 million workers were employed by 253,334 factories across India. Of them, 5.95 million workers (40.7 %) were working on a contractual basis. Critical analysis reveals that there is no precise data on contract workers employed in India as a large chunk

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of them absorbed by micro and tiny enterprises which are often unregulated. As a result, a sizable pool of contract workers is not included in the count and is not eligible to receive the advantages of the law. The accessible information appears to be the tip of the iceberg and does not accurately depict the whole picture.

India has come up with four labor codes which are ambitious to be facilitating compliances,the contract labor is now covered under the Occupational Safety, Health, and Working Conditions (OSHW) Code, 2020. From at least 20 to 50 workers, the code's threshold applicability has been raised. The concept of contract labor has been expanded to include interstate migrant workers under the OSHW code. The code defined the core activities (any activity for which the establishment is set up and includes any activity that is essential to such operations) and forbade contract workers from participating in core activities, with some exceptions, such as when the volume of work suddenly increases or when the work does not require full-time workers, etc. Temporary jobs, on the one hand, could provide firms as well as workers with greater adjustment and flexibility. On the other hand, they are often associated with poor job quality, in terms of lower earnings, a higher level of labor market insecurity, and higher job strain (OECD, 2014).

The provisions of the contract labor have been interpreted by the apex court on various occasions to strike a balance between economic development and workers' rights such as in the Standard Vacuum Refinery Company vs. their workmen(1960) AIR 948, 1960 SCR (3) 466 case the Supreme Court of India opined that contract labor should not be employed where the work is of permanent or continual (perennial) in nature, incidental to and necessary w.r.t the factory; adequate to employ considerable number of whole-time workmen; and, executed through regular workmen in similar establishments which ultimately paved the way for enactment of Contract Labor (Regulation & Abolition)Act, 1970 and central rules of 1971. Additionally, in the Gammon India Ltd. vs. Union of India & Ors. (1974) AIR 960, 1974 SCR (3) 665, the apex court upheld the constitutionality of the Act. In Air India Statutory Corporation v. United Labor Union and Others (1997) LLR 305, it was decided that the principal employer would be required by law to absorb the contract labor upon the repeal of the contract labor system on behalf of the contract laborers.

However, in the case of Steel Authority of India vs. National Union of Workers & Ors. AIR (2001) SC 3527, 2001 AIR SCW 3574, the focus shifted more towards economic development, and it was held that neither Section 10 of the CLRA Act nor any other provision in the Act, if expressly or necessary implication, provides for automatic absorption of contract labor. The principal employer is not required for the absorption of contract labor working in the concerned establishment. However, the contract laborers can raise an industrial dispute in relation to absorption, if the contract is a sham contract. This judgment ultimately

opened the doors for more engagement of contract laborers in India. The apex court in Secretary, the State of Karnataka and ors. vs. Umadevi and Ors. (2006) AIR 2006 SC 1806, 2006 AIR SCW 1991 case opined that temporary workers are entitled to fair compensation for their labor, the Court made it clear that regularization must be based on adherence to legal procedures and not merely on the duration of employment.

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As per section 21 of the CLRA Act, 1970, the prime responsibility for payment of wages to contract laborers lies with the contractor and the same shall be paid before the expiry of such period. Payments should be made before the 7th day of the month if the number of workers is less than 1000 and before the 10th day if the number of workers is greater than 1000. The wage period cannot be more than one month and every principal employer shall have a duly authorized representative to be present during wages disbursement thereby certifying the amounts. However, in case the contractor fails, the principal employer shall be liable to make payment of wages in full or the unpaid balance due, as the case may be, and the principal employer can recover the amount from the contractor either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor.

The Second National Commission on Labor (NCL) has also recommended that the contract labour will, however, be remunerated at the rate of a regular worker engaged in the same organisation doing work of a comparable nature.

Further, as per section 25(v)(a) of Contract Labor (Regulation and Abolition) Central Rules ,1971 in cases where the workmen employed by the contractor perform the same or similar kind of work as the workmen directly employed by the principal employer of the establishment, the wage rates, holidays, hours of work, and other conditions of service of the workmen of the contractor shall be same as applicable to the workmen directly employed by the principal employer of the establishment on the same or similar kind of work. In addition, the Second National Commission on Labor (NCL) has also recommended that the contract labour will, however, be remunerated at the rate of a regular worker engaged in the same organisation doing work of a comparable nature, or if the organization doesn't have such workers, then the contract labor shall be paid at the lowest salary of a worker in a comparable grade, i.e., unskilled, semi-skilled, or skilled.

Legal Elucidation of Equal Pay for Equal Work

The principle of equal pay for equal work has been interpreted by the Supreme Court of India to give a definite

direction to the demands of the working class. Some of the important judgments are enumerated below.

In the Randhir Singh vs Union Of India & Ors (1982) AIR 879, 1982 SCR (3) 298 case the apex court opined that the preamble of the Constitution of the International Labor Organization recognizes the principle of 'equal remuneration for work of equal value' as constituting one of the means of achieving the improvement of conditions "involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperiled". Construing articles 14 and 16 in the light of the preamble and art. 39(d) we are of the view that the principle 'Equal pay for Equal work' is deducible from those articles and may be properly applied to cases of unequal scales of pay based on no classification or irrational classification though those drawing the different scales of pay do identical work under the same employer. In the Surinder Singh vs Engineer-In-Chief, C.P.W.D. and Ors.(1986)AIR1986SC584, 1986(52)FLR216,1986(1) SCC639 case it was held that the central government, the state governments likewise, all public sector undertakings are expected to function like model and enlightened employers and arguments such as those which were advanced before us that the principle of equal pay for equal work is an abstract doctrine that cannot be enforced in a court of law should ill-come from the mouths of the state and state undertakings. Furthermore, it has been noted in the State of Haryana vs. Tilak Raj & Ors. (2003) AIR 2003 SC 2658, 2003 AIR SCW 3382, 2003 (6) SCC 123 case that the equal pay for equal work principle is not always simple to implement because it can be challenging to compare and evaluate the work of various individuals in different organizations or even within the same organization. In UP Rajya Vidyut Utpadan Board & Another vs. Uttar Pradesh Vidyut Mazdoor Sangh (2009) 17 SCC 318, it was held that nature of work, duties, and responsibilities attached thereto are relevant to evaluate whether the workmen employed through contractor perform the same or similar kind of work as of regular workers. Notably, this should not be judged by mere volume of work; rather qualitative difference as regards reliability and responsibility. In the State of Punjab & Ors. vs. Jagjit Singh and Ors(2016)AIR 2016 SC 5176, 2017 (1) SCC 148 case the apex court enumerated comprehensive guidelines for applicability of equal pay for equal work w.r.t. temporary workers which are pertinent to highlight:

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- The 'onus of proof', of parity in the duties and responsibilities of the subject post with the reference post, under the principle of 'equal pay .for equal work', lies on the person who claims or approaches the court.

- Persons discharging identical duties cannot be treated differently in the matter of their pay, because they belong to departments of government.
- The principle of "equal pay for equal work" applies to unequal scales for pay based on no classification or irrational classification; for equal pay, the concerned employees with whom the equation is sought, should be performing work, which besides being functionally equal, and should be of the same quality and sensitivity.
- Persons holding the same rank/designation (in different departments), but having dissimilar powers, duties and responsibilities, can be placed in different scales of pay, and cannot claim the benefit of the principle of "equal pay for equal work".
- In determining equality of functions and responsibilities, under the principle of 'equal pay for equal work', it is necessary to keep in mind, that the duties of the two posts should be of equal sensitivity, and also, qualitatively similar. Differentiation of pay scales for posts with differences in degree of responsibility, reliability and confidentiality, would fall within the realm of valid classification, and therefore, pay differentiation would be legitimate and permissible.
- If the qualifications for recruitment to the subject post vis-a-vis the reference post are different, it may be difficult to conclude, that the duties and responsibilities of the posts are qualitatively similar or comparable.
- Different pay scales, in certain eventualities, would be permissible even for posts clubbed together at the same hierarchy in the cadre. As for instance, if the duties and responsibilities of one of the posts are more onerous, or are exposed to a higher nature of operational work/risk, the principle of 'equal pay for equal work' would not be applicable.
- Where there is no comparison between one set of employees of one organization and another set of employees of a different organization, there can be no question of equation of pay scales, under the principle of 'equal pay for equal work', even if two organizations have a common employer. Likewise, if the management and control of two organizations are independent of one another, the founding principle would not apply.

Later scholars criticized the Supreme Court's judgment in the Jagjit Singh case claiming this a small stride forward in a narrow area of law that has not reached its full potential in ensuring social welfare of all workers due to the lack of legislative action and the absence of judicial imagination (Kumar, 2016). In the Union of India vs Brig.Balbir Singh (Retd.) (2020)AIR 2020 SC 469, (2020) 1 SCT 721 (2020) case it was opined that **t**here is no dispute that the principle of 'equal pay for equal work' is applicable even to tenures or temporary appointments. Additionally, the recent judgement in the Vinod Kumar & Ors. Etc. vs. Union of India & Ors (2024) 1 S.C.R. 1230 : 2024 INSC 332 case, it was observed that the essence of employment

and the rights thereof cannot be merely determined by the initial terms of appointment when the actual course of employment has evolved significantly over time. Further, in Rajkaran Singh vs Union Of India (2024) 8 S.C.R. 516 : 2024 INSC 621case, it was held that the mere classification of employees as 'temporary' or 'permanent' is not merely a matter of nomenclature but carries significant legal implications, particularly in terms of service benefits and protections. Although the judiciary has played its role in their sphere the proper policy and its implementation still remains a question to ponder upon by all the stakeholders.

Critical Analysis

In India, contract workers receive very little pay and other benefits while doing work that is identical to that of their permanent counterparts. In majority of the cases, they do not receive the bare minimum wage that the relevant government has mandated. In the name of flexibility and cost-cutting, they are being exploited by both the contracting agencies and the principal employers, who frequently care only about the contracting agency's performance of the task and show little concern for the suffering of the contract workers. Although there are provisions for safeguarding the interests of these contract laborers, collusion with other stakeholders, unethical practices, muscle and money power, legal loopholes, etc., have paved the way for the contractor to exploit contract laborers for profit maximization. The objective of the act is to facilitate the employment of workmen in activities that are not perennial and do not form the core activity of the organization. However, the practices have been otherwise by the government and other organizations. The reasons given are the inflexibility of the existing labor laws. Also, employers' claim that in today's changing economic environment, the distinction between the core, and non-core activities does not exist. This belief by employers has led to large-scale employment of contract labor, mostly in contravention of the Contract Labor Act (Sodhi, 2014).

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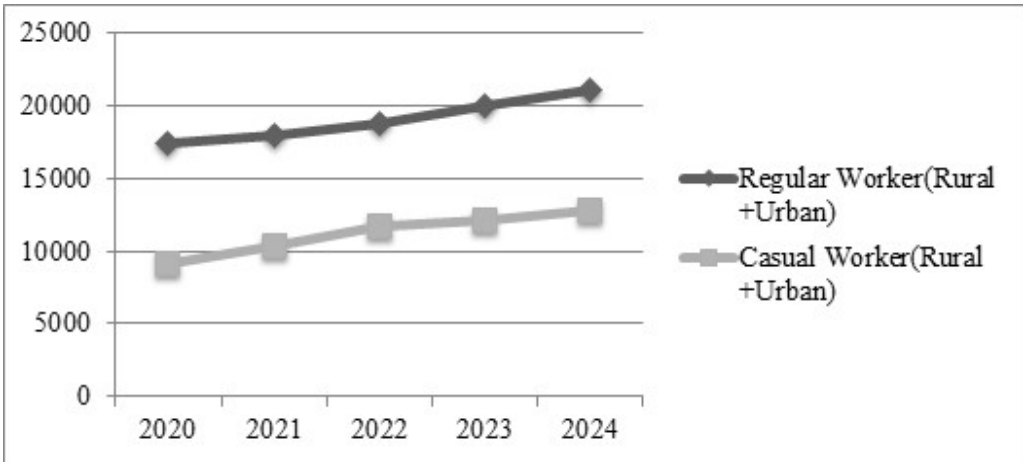
Further, the most contentious provisions of the Contract Labor Act concern two aspects: the abolition of the contract labor system and the consequences (whether the contract labor should be absorbed in the rolls of the principal employer or not as regular workers) and equal pay for equal work. Both have a bearing on wage inequalities (Sundar &Sapkal, 2019). The judicial interpretations in some cases have raised the question of skill differential in determining whether the same kind of work is done by workmen employed through contractors and by the corresponding workmen employed directly by the principal employer. It is extremely difficult to implement the notion of wage parity taking into account the dimension of the level of skills. As a result, wage parity between the two categories of workers is not legally enforceable. It is this legal lacuna

that has led to the wide gap between the wage levels of contract workers and those directly employed by the principal employers (Hoda & Rai, 2015). Equal pay legislation appears however insufficient to tackle the inequality-increasing effect of temporary work (Cazes &Laiglesia, 2014). In recent years, several Indian states, and now the Central Labor Codes, have amended a raft of labor laws in a pro-employer direction. These changes will result in growing casualization as well as deteriorating wages, working conditions, and decades-old workers' rights that are enshrined in ILO conventions (Bhattacharjea, 2021). Among Asian developing economies, India is probably one of the rare countries with available 'pure' estimates. Based on wage equations constructed for workers in the organized manufacturing sector in India, Bhandari and Heshmati (2008) find that permanent workers earned on average 45.5 percent more than non-permanent workers after controlling for different individual human capital as well as job-related characteristics. Existing evidence refers either to simply the 'raw' wage gap (i.e., the ratio of temporary employment wage to permanent employment wage) or to the wage gap derived from empirical wage equations ('pure' wage gap) in which worker's personal and household characteristics are also included.

Fig. 2 Monthly Average Wage of Regular and Casual Labor force (Rs)



Note: Provisional Data for 2024 up to June,
Source: Computed by author from various rounds of Periodic Labor Force Survey data, Government of India

From the above figure, it is clear that significant differences in wages exist between permanent and casual workers in India. Here, casual worker means a person who was casually engaged in others' farm or non-farm enterprises on a daily wage basis, and contract laborers are one of the major chunks of the ca-

sual workforce in India. Additionally, as of April 2024, the VDA Order is dated 2nd April 2024; the minimum wage was set at 449 rupees per day for unskilled workers in the agriculture sector and 522 rupees per day for unskilled workers in the construction sector in rural areas and smaller towns. Workers in larger cities and towns were paid a greater minimum wage. The minimum pay for unskilled workers in the agriculture sector was the lowest of the different worker categories based on their industry and skill level. If we take the lowest wage for monthly calculation, it can clearly be observed that most of the casual or contract laborers are out of the minimum wage bracket. Contract laborers are being engaged in building and construction work, hazardous factories and industries, mines, the power sector, etc., without proper personal protective equipment, and in most of the cases they are deprived of the minimum wages. In many cases they are being forced to work overtime in hazardous occupations and hardly get any appropriate overtime wages as per the labor laws in India. Documentation from principal employers and contractors may give the impression that everything is going smoothly on paper, but the reality on the ground is entirely different. Because of their ignorance, illiteracy, lack of documentation, and lack of support, contract workers will find it extremely difficult to prove their case before the proper authorities if they choose to pursue legal action. If someone opts to raise their voice for the same, then he/she will be removed immediately by the mighty contractor without any terminal benefits via some fabricated allegations like theft, serious damage to property, etc. The situation for female contract workers is considerably worse, because they receive significantly lower pay than their male counterparts. With the same amount of effort as their male counterparts, they frequently even receive half of the minimum salary.

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Furthermore, it is exceedingly challenging for contract workers to demonstrate that they are equally sensitive and responsible as well as that they are entitled to comparable compensation for the same or a similar kind of work. The role of tripartite bodies also remains a question mark regarding the demand for similar wages for contract laborers in India. The permanent workers have organized in to unions to raise their concerns. Different forums are there to resolve their issues, or else they are in positions to make their employer accountable on the bargaining table. They also have the political patronage to raise their voices in various forums through their political linkages, but in the case of contract laborers, there is hardly anyone to raise their issues at the appropriate forum, and most of them get false promises rather than any concrete action on the ground level.

Given the terrible working conditions for contract laborers, the function of implementing agencies also appears to be

inadequate. Rather than taking concrete steps to improve the working conditions of these underprivileged laborers, compliance is more likely to be found in documentation. Various studies have contended that the growing contractualization of the organized manufacturing workforce is also attributable to the rigidities caused by protective labor legislations, with employers hiring more contract workers to circumvent those rigidities, as contract workers were outside the purview of most labor protection regulations (Saha et al., 2013). In terms of future policy interventions, the results point to the potential impotence of minimum wage regulation. While we cannot quantify the extent of the problem, the findings suggest that many casual employees are paid at rates below what is legally required (La& Wooden, 2019).

Lastly, we can say that the provision of 'equal pay for equal work' as provided in the Contract Labor (R&A) rules, 1970 (Chapter III, rule 25(2) (v) (a)) is ambiguous and lacks teeth, notably because it is situated in the rules (that too only as a condition of license) and not in the main Act. Employers always dispute the 'same or similar' nature of work; moreover, due to different designations and nomenclature, taking a definitive position is difficult. In practice, the equality rule seems to be possibly implementable in a newly established factory. This parity is not possible in older establishments where regular workers get increased entitlements due to their seniority and experience; in such cases, contract workers can never catch up. In those new establishments also where initial parity is given, the wages to contract workers will fall behind due to the fact there are no provisions for assured pay enhancement for a contract worker other than the requirement that they be paid at least minimum wages. Thus, it can be seen that in most industries, the contract workers are from the bottom class of workers in terms of monetary compensation (Kumar & Singh, 2018).Therefore, equal pay for equal work in the context of contract labor still remains a critical issue considering the plight of these poor laborers in all aspects of their working life which in turn affects the socio-economic development of the major chunk of the working class in India.

Recommendation

The problem of temporary workers' unequal pay seems not to be solved solely by depending on market mechanisms, so social administrators should give more help to temporary workers through legal, administrative, economic, and other means to maintain their equal pay rights (Zuo, 2012). Further, inequality between permanent and contract workers is a challenge to be addressed, notably as temporary employment accounts for an even higher proportion in the developing economies. On the issue of self-correction by employers versus policy intervention to eliminate discrimination, India needs strict enforcement of laws such as equality of opportunities and non-discriminatory practices in the workplace (Duraisamy & Duraisamy, 2017)**.** More emphasis should be given to the working of various wage-setting institutions like wage boards, labor courts, industrial tri-

bunals, and processes of collective bargaining with guidelines on the part of the government for permissible non-inflationary wage increases. It is necessary to periodically modify minimum wage levels to account for shifts in the cost of living and other aspects of the economy. In addition, it is necessary to curb the exploitation of this vulnerable section of the workforce by fixing the terms of contracts through different labor reform measures. The principle of "equal pay for equal work," if enacted as a law, could enhance contract workers' wages. The reformed laws must suit emergent conditions and must provide more flexibility to employers. Above all, they must ensure fair treatment of workers and provide a wider social safety net. Thus, to bring back the economy to a stable growth path, efficient policy efforts are necessary to link productivity with real wage growth (Chakraborty, 2018).

In India, the recurrent incidents of industrial violence led by contract workers, as seen in the Graziano Noida plant, Regency Ceramics Yanam factory, and Maruti Manesar plant, are early warnings of things to come if such a developmental path is not seized or altered or the protection of the contract workers interests is ignored. Hence, labor wages and standards should not be made the element for competition in tenders, and a suitable provision should be made under all labour laws to this effect. Further, the provision of time-based upgradation, rewards, and performance-linked incentives needs to be created for contract workers by devising suitable contracts and by incorporating clauses in the labor laws (Kumar & Singh, 2018).However, change in the law alone will be of no consequence unless the governments concerned show the will to implement the basic spirit and essence of the Act in their respective domains. The strategy to restore the rights of contract labor has to be multipronged in order to be effective (Saini, 2010). Notably, without an adequate enforcement machinery to ensure compliance of labor laws, the policies would be nothing more than rhetoric, existing solely in theory. The weakening of trade unions and undermining of collective bargaining systems has further eroded the ability of workers to advocate for their rights. To achieve any meaningful change in the conditions of workers, the avenues for workers' representation and voluntary bargaining would also have to be strengthened (Mishra & Dwivedi, 2023). However, there still are questions that need to be answered; for instance, the codification of labor laws is more of a consolidation of laws that retains most of the substantive provisions of the earlier laws (Negi & Akhter, 2022).

Conclusion

Since the contract labor problem is multifaceted and pertinent across sectors, it does not have any solitary and instantaneous solution. While market economies cannot sustain inefficiency by any means, labor exploitation is certainly not a judicious solution. The notion of sustainable development emphasizing the wellness of humans as the center of economic activities demands payment and performance coincide. In the ambition of cost efficiency and competitive advan-

tage, the fixation of wages abysmally low for contract labor is not just unethical but counterproductive to the macro-economic progress of any society. In India, the equal pay for equal work principle for contract labor must be viewed holistically in light of the laws and court rulings pertaining. Every stakeholder must step up to assist these contract workers in receiving justice for the same or similar work; moreover, a balanced approach and a complete overhaul can only bring the desired changes. Thus far, legal provisions have only meager ways to ensure equal access to decent, remunerative employment across society through the lenses of human dignity. The policy discourse and implementation of a wide-ranging program must aim with the prevailing assumptions about the very nature of employment and socio-economic outcomes in a broader sense.

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