

National Labor & Employment Policy 2025 & The Labor Codes: Divergent Visions in Law & Policy Framework

S Senthil Ganesh

This paper critically examines India's recent labor reforms, focusing on the four Labor Codes and the Draft National Labor and Employment Policy. While the policy articulates an inclusive, digitally enabled vision of labor governance, the accompanying legal framework prioritizes flexibility, administrative centralization, and employer discretion. The analysis highlights contradictions between the policy's rhetoric of dignity and empowerment and the Codes' dilution of core labor protections, including collective bargaining and job security. Implementation has been uneven, marked by federal resistance, technological limitations, and weakened tripartite mechanisms. The paper argues that these reforms risk institutionalizing a minimalist, deregulated labor regime under the guise of formalization. It calls for a recalibration grounded in participatory policy-making, enforceable rights, and robust regulatory capacity.

S Senthil Ganesh is a Professor (Strategy and General Management Area) at the Xavier Institute of Management, XIM University, India (E-mail: ssganesh@xim.edu.in)

Introduction

India is undergoing a significant overhaul of its labor governance regime, centered on the consolidation of existing statutes and the adoption of digital tools for regulation and delivery. Labor governance refers to the set of legal, institutional, and policy mechanisms that mediate relations among the state, employers, and workers. Globally, such regimes have moved toward deregulation and flexibility, particularly under neoliberal reforms that emphasize employer discretion and labor market fluidity (Fudge & McCann, 2015; Standing, 2011). In India, this shift has materialized in the passage of four Labor Codes between 2019 and 2020 and the introduction of the Draft National Labor and Employment Policy, *Shram Shakti Niti 2025*. These initiatives claim to modernize regulatory frameworks, simplify compliance, and extend protections to

informal and gig workers through digital platforms. However, their legal structure, political rationale, and uneven implementation expose critical tensions between reform rhetoric and actual worker outcomes.

The consolidation of 29 laws into four Labor Codes—on Wages, Industrial Relations, Social Security, and Occupational Safety and Health—has been justified as a move toward rationalization and “Ease of Doing Business” (ILO, 2021). Complementing these reforms, *Shram Shakti Niti 2025* reimagines the Ministry of Labor and Employment as an employment facilitator, advocating interoperable databases, risk-based inspections, and AI-enabled service delivery (Ministry of Labor & Employment, 2025). While the policy stresses digitization and universal social protection, it avoids addressing contentious reforms embedded in the codes themselves.

Notably, the Industrial Relations Code increases thresholds for layoff approvals, expands fixed-term employment provisions, and imposes new restrictions on strikes. Critics argue that these changes compromise job security and collective bargaining rights in the country where informal employment dominates (Breman, 2013; Singh, 2020). Yet *Shram Shakti Niti 2025* omits mention of these measures, focusing instead on safer political ground such as social security. This selective emphasis appears strategic, aiming to advance policy goals incrementally while containing opposition.

Political divisions further shape this trajectory. The Bharatiya Mazdoor Sangh, affiliated with the ruling party, has endorsed only partial implementation favoring the Wages and Social Security Codes while resisting the IR and OSH Codes. This piecemeal approach enables the government to sidestep broader labor resistance. Moreover, institutional mechanisms for consultation and consensus-building have eroded. The Indian Labor Conference has not been convened since 2015, and the codes were passed without meaningful engagement with trade unions or state governments—contravening India’s obligations under ILO Conventions 144 and 81 (ILO, 2021).

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This research paper critically examines the policy design and strategies of *Shram Shakti Niti 2025*, focusing on its digital-first approach to welfare and labor market facilitation. It analyses the substantive legal provisions of the four Labor Codes, with particular attention to the Industrial Relations Code’s implications for worker rights and employer flexibility. The paper explores the implementation gap through the lenses of federal dissent, institutional weakening, and emerging worker mobilization. It then engages with international labor standards—especially ILO Conventions 81 and 144—to assess the normative legitimacy of the reforms. The conclusion re-

flects on the political and institutional challenges of creating a labor governance system that is both inclusive and enforceable.

Shram Shakti Niti 2025 – Policy Vision & Contradictions

Shram Shakti Niti 2025, India's Draft National Labor and Employment Policy, articulates an ambitious commitment to a "fair, inclusive, and future-ready world of work." It aligns itself with the aspirational goal of transforming India into a "Viksit Bharat" by 2047. Rooted in the moral vocabulary of *cerama dharma*, the policy frames labor as a sacred duty of the state, echoing civilizational idioms that historically associated work with justice and collective well-being. Invocations of *rajdharm*a and references to ancient texts are used to frame labor governance as a continuity of India's social justice tradition, promising to uphold worker dignity while facilitating enterprise growth.

This cultural framing, however, has drawn scholarly criticism. As Shinde (2025) notes, equating labor with *dharma* romanticizes a past where wage laborers had no legal protections. The reliance on cultural symbolism risks substituting rhetorical gestures for substantive entitlements, particularly at a time when the nature of work in India is rapidly changing. The emphasis on "dignity" and "justice" is meaningful only when backed by enforceable rights—something the policy fails to guarantee in specific terms.

The policy also redefines the role of the Ministry of Labor & Employment, positioning it not as a regulatory authority but as an "Employment Facilitator." This reflects a notable shift in governance orientation: moving from enforcement to facilitation, and from inspections to digital integration. Labor officials are envisioned as mediators between employers, workers, and training institutions, rather than as monitors of workplace conditions. This turn towards a service-provider model mirrors international trends in neoliberal governance where states adopt enabling roles, privileging labor market flexibility over protective regulation (Baccaro & Howell, 2017).

In line with this logic, Shram Shakti Niti promotes a digital-first architecture. It proposes the creation of a Labor and Employment "Stack," merging databases such as EPFO, ESIC, e-Shram, and the National Career Service into a unified infrastructure. The use of AI and risk-based algorithms to monitor compliance, issue credentials, and allocate benefits is framed as a solution to bureaucratic inefficiency and regulatory overlap. The goal is to replace manual, fragmented systems with predictive and automated processes that minimize human discretion and reduce compliance friction.

This approach has some promises: universal social security accounts and digitally portable benefits can improve inclusion and administrative efficiency. However, it also invites concerns around exclusion, surveillance, and reduced accountability. Alston (2019), in his report on digital welfare states, warns that data-

driven models often obscure discrimination and embed biases, particularly when algorithmic oversight replaces human judgment. The digital divide in India makes this risk even more acute—many informal and migrant workers lack the devices, access, or literacy to participate in this new system meaningfully. Without targeted interventions, the digital infrastructure may worsen marginalization instead of resolving it.

Shram Shakti Niti prominently promotes popular elements like social security expansion and occupational safety, both of which are politically palatable and enjoy widespread support. The policy's promise to implement the Occupational Safety, Health and Working Conditions (OSH) Code and deliver universal social protection is featured as evidence of a worker-centric approach. Yet conspicuously absent from the document is any reference to the Industrial Relations Code (IR Code), 2020. This omission is striking, given the IR Code's pivotal role in reshaping labor-capital dynamics by increasing retrenchment thresholds, legitimizing fixed-term employment, and restricting strike rights.

Critics argue that the silence is strategic. Trade unions, including the All India Bank Employees' Association, have condemned the draft for omitting mechanisms to resolve disputes and for failing to acknowledge erosion in collective bargaining (AIBEA, 2025). The policy emphasizes entitlements and platform-based empowerment but avoids engagement with labor control mechanisms embedded in the codes. By showcasing only the

benign reforms, the policy downplays contentious structural shifts—namely, the dilution of job security and limitations on union power.

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This rhetorical strategy reflects a broader political calculus. The Bharatiya Mazdoor Sangh's support for selective implementation—endorsing the Wages and Social Security Codes while opposing the IR and OSH Codes—has enabled a segmented rollout that contains resistance while advancing core reforms. The result is a bifurcated regime: one that digitally integrates workers into registries and benefit schemes but fails to secure their collective rights and protections.

Institutionally, this policy shift represents a departure from India's earlier labor traditions. Historically, tripartite mechanisms like the Indian Labor Conference and policy dialogues under the Planning Commission shaped labor reform with broad stakeholder input. Even the Second National Commission on Labor (2002) emphasized the importance of social dialogue while recommending legal simplification (Shyam Sundar, 2000). By contrast, Shram Shakti Niti has been developed without consultation with trade unions, state governments, or the Indian Labor Conference, which has not convened since 2015.

The break from deliberative consensus-building to top-down policymaking highlights the shift in India's labor governance from a welfarist to a market-centric orientation. As recent Indian scholarship has shown, this reform era is marked not by formalization in the classical sense—secure, regulated employment—but by a focus on “statistical formalization”: capturing informal workers in databases without necessarily improving job quality or ensuring rights (Agarwala, 2021).

Shram Shakti Niti 2025 thus encapsulates a complex blend of aspirations and contradictions. Its emphasis on digital facilitation, empowerment rhetoric, and universal social protection reflects a modernized policy imagination. Yet, the absence of provisions on dispute resolution, union representation, and employment security reveals a structural retreat from labor rights. The policy's silence on the coercive dimensions of the new labor codes, and its reliance on technology without addressing access and accountability, suggest a narrowed conception of governance. Worker dignity is upheld in language, but weakened in law.

Labor Codes & the Contradictions of Legal Design

India's four Labor Codes—the Industrial Relations Code (IRC), Code on Wages (CoW), Code on Social Security (CSS), and Occupational Safety, Health and Working Conditions Code (OSH Code)—have been presented as the statutory realization of the policy commitments articulated in *Shram Shakti*

Niti 2025. Proponents claim they modernize India's labor framework by unifying scattered laws, reducing compliance burdens, and enabling inclusion. However, these reforms embed a model that prioritizes employer flexibility, administrative centralization, and data visibility over enforceable worker protections. We examine here how the legal architecture of the Codes diverges from the policy's emancipatory rhetoric, revealing a governance model that legalizes informality while diminishing state responsibility and institutional voice.

Formalization vs Flexibilization

The Shram Shakti Niti policy envisions universal coverage through a digital infrastructure for labor registration and portable benefits. It equates formalization with the state's duty to ensure social protection and dignified work. However, the legal framing in the Codes redefines formalization narrowly: as visibility in state databases without a corresponding expansion of substantive rights.

The IRC raises the threshold for mandatory government approval for retrenchment from 100 to 300 workers (Shyam Sundar, 2020). This change enables employers in medium-sized establishments to dismiss workers without oversight, weakening job security. The legalization of fixed-term employment allows employers to offer time-bound contracts without justification, reducing the obligation to hire permanent staff. These provisions incentivize a shift toward contingent, insecure labor under the cover of legal formalization.

This legal model constructs what Ananth (2025) terms “statistical formalization,” privileging enumeration over genuine employment guarantees. Rather than enabling long-term security and voice, formalization is achieved through registration without stable contracts or entitlements. This renders India’s formalization project largely symbolic—workers become visible to the state, but not protected by it.

Empowerment Rhetoric & Rights Dilution

While the policy invokes the ideals of dignity, justice, and equality, the Codes actively dilute labor rights. The IRC restricts the right to strike by mandating a 60-day notice for all sectors, including private enterprises, and prohibits strikes during conciliation or tribunal proceedings. This significantly limits collective bargaining, especially in sectors without robust trade union representation (Shyam Sundar, 2020).

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The CoW, although aims to harmonize wage definitions, leaves the calculation of floor wages to executive discretion. In the absence of clear benchmarks and effective enforcement, the harmonization of wages remains notional. The replacement of labor inspectors with “inspector-cum-facilitators” reinforces a compliance culture

based on trust, even in a labor market rife with wage violations and power asymmetries.

The OSH Code similarly ends employer responsibilities on paper, yet raises coverage thresholds—exempting establishments with fewer than 20 workers (using power) or 40 (without power). Small-scale units, where safety violations are often most severe, are thus exempted from mandatory compliance. Such exclusions directly undercut the promise of universal protection.

These contradictions point to a strategy of selective empowerment: inclusion in principle, exclusion in practice. Workers may be mapped in databases but denied meaningful rights due to legal thresholds, administrative discretion, and weak enforcement capacity.

State as Facilitator or Abdicator?

A defining feature of both Shram Shakti Niti and the Labor Codes is the transformation of the state’s role. The policy casts the Ministry of Labor and Employment as an “Employment Facilitator” rather than a regulatory authority. This vision is operationalized in law through a model of governance premised on nudging, digital service delivery, and algorithmic compliance.

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In the CSS, gig and platform workers are nominally included for the first time. Yet their access to benefits remains contingent on schemes not yet designed. Employer contributions are capped at 1–2% of turnover, with no guaranteed minimum entitlements or penalties for non-compliance (Mehrotra & Sarkar, 2021). These provisions reflect an outsourcing of welfare responsibility to market actors, with the state retreating from its role as guarantor.

Labor inspection is similarly hollowed out. Risk-based audits replace surprise visits. Algorithms determine compliance targets. This shift from physical oversight to digital dashboards reduces transparency, weakens deterrence, and facilitates selective enforcement.

China's gig economy trajectory offers a cautionary mirror to India's current reform path. With nearly 200 million flexible workers—many in platform-based or on-demand factory roles—China demonstrates how algorithmic management and contractual casualization are reshaping even core manufacturing sectors. Like India's Labor Codes, China's flexible employment norms respond to employer demands for scalability and deregulation. However, the resulting employment is fragmented, insecure, and socially dislocating. Migrant gig workers lack access to urban services, stable income, or long-term prospects—conditions paralleled in India's platform sector and contract-based industries. While China has begun to regulate algorithmic practices and extend limited social protection, India's labor framework promises univer-

sality but withholds enforceable rights. The Chinese experience cautions against romanticizing formalization through codes alone; without institutional strength and accountability, India risks embedding structural precarity within their economic cores under the guise of modernization.

Digital Inclusion & Regulatory Retreat

The digital infrastructure envisioned in both the Codes and Shram Shakti Niti is ambitious. The Labor and Employment Stack, Universal Social Security Account, and AI-driven inspection mechanisms are presented as solutions to bureaucratic inefficiency. However, they operate in a context of low digital penetration, inconsistent access, and poor institutional safeguards.

India's informal workers often lack digital literacy, mobile devices, or stable connectivity. The techno-legal infrastructure assumes universal access that does not yet exist. Moreover, there are few grievance mechanisms for workers excluded by algorithmic decisions. As Alston (2019) has warned, the global shift toward “digital welfare states” often results in surveillance and control of the poor, rather than empowerment.

The façade of digital inclusion masks a structural withdrawal from rights-based governance.

By shifting from direct regulation to techno-managerial oversight, the state reduces its accountability. The transition

from inspection to facilitation, and from enforcement to “empowerment,” enables legal compliance without substantive protection. The façade of digital inclusion masks a structural withdrawal from rights-based governance.

Centralization & the Erosion of Tripartism

The legal design of the Codes centralizes power and sidelines tripartite dialogue. Despite the policy’s language of cooperation and evidence-based decision-making, the Indian Labor Conference has not been convened since 2015. Central trade unions were excluded from the drafting process, undermining democratic legitimacy (IndustriALL, 2023).

Legally, the Codes embed this centralization. Under the CSS, rulemaking power lies almost entirely with the executive. The National Social Security Board is government-dominated, with limited worker representation. Thresholds for coverage, schemes for unorganized workers, and definitions of beneficiaries are determined via notification, bypassing legislative scrutiny.

This executive dominance removes collective bargaining and institutional voice from the governance structure. The promise of inclusive policymaking is negated by a legal architecture that privileges administrative discretion and market logic.

A Normative Disjuncture

The Labor Codes mark a normative departure from India’s postcolonial labor

law tradition, which aimed to compensate for market failures through protective legislation. *Shram Shakti Niti* symbolically retains that tradition by invoking cultural idioms and constitutional values. However, these remain rhetorical gestures. The Codes themselves articulate a different logic—of labor market flexibility, ease of doing business, and deregulated formalization.

This normative disjuncture between policy and law is not accidental. It reflects a strategic dualism: symbolic universalism at the level of discourse, paired with segmented legality that protects only a subset of workers. What Shyam Sundar (2020) describes as “regulated informality” becomes the dominant mode of labor governance—workers are counted, registered, and databased, but not meaningfully protected.

India’s labor reform trajectory thus constructs a new regulatory compact: one that appears inclusive through technological modernity and legal consolidation but conceals a profound retreat from rights, security, and participation.

Implementation Paralysis & Multi-Level Resistance

Despite the sweeping legal design of the four Labor Codes, a profound implementation gap has emerged between statutory enactment and practical enforcement. Passed between 2019 and 2020 with the promise of streamlining India’s labor law regime, these Codes remain largely unimplemented in 2025. The transition from old laws to the new

codes has been stymied by structural federal tensions, administrative deficiencies, and sustained resistance from trade unions. We interrogate here the political and institutional forces underlying the codes' stalled implementation, focusing on three interrelated dynamics: federal resistance, institutional breakdown, and worker mobilization.

Federal Frictions & Policy Gridlock

The success of the new Labor Codes hinges on cooperation between the central and state governments, since labor is a subject in the Concurrent List of the Indian Constitution. The Central Government has drafted the codes, but their enforcement depends on states framing their own rules under each code. The Central Government has taken the position that all four codes will be enforced only when every state has notified its corresponding rules. This all-or-nothing stance has deepened the deadlock.

Several opposition-ruled states, including Kerala, Tamil Nadu, and West Bengal, have either refused to frame rules or have deliberately delayed the process (Shyam Sundar, 2020). West Bengal, for instance, has argued that the codes undermine pre-existing state-level welfare protections, and has asserted its constitutional right to regulate labor independently. In Tamil Nadu, state officials have cited the codes' dilution of safety and security provisions as grounds for withholding compliance. These states have positioned their resistance both as a legal matter of federalism and as a moral rejection of what

they view as regressive reforms (Ananth, 2025).

Even among states aligned politically with the Centre, the rule-making process has not been uniform. Several have drafted rules selectively or with amendments that subtly deviate from the codes' intent. This has led to a patchwork of draft rules across the country, compromising the Centre's goal of harmonized regulation. A 2023 report by the V.V. Giri Labor Institute warned that some state-level rules undercut key provisions of the codes and risked fragmenting the regulatory regime (V.V. Giri National Labor Institute, 2023).

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This standoff has created a stalemate where the Central Government is reluctant to proceed without consensus, while several states are unwilling to endorse what they see as pro-employer centralization. The result is an implementation paralysis, where the codes remain legally passed but politically unviable.

Institutional Fragility & Administrative Disrepair

Even if consensus existed, the implementation of the Labor Codes is constrained by institutional fragility. Labor departments at both the state and central levels suffer from chronic understaffing, low budgets, and weak

enforcement capacity. The new inspector-cum-facilitator model introduced in the codes significantly alters the regulatory apparatus. Traditional labor inspectors, tasked with conducting unannounced site visits and initiating prosecutions, have been replaced by facilitators who are expected to advise and educate employers (Mehrotra & Sarkar, 2021).

While this shift reflects a governance philosophy focused on trust and voluntary compliance, it is ill-suited for an economy where informal employment dominates and labor violations are common. Critics argue that such reforms weaken the deterrent effect of labor law, making violations less likely to be punished and harder to detect (Alston, 2019). The reduction of criminal penalties and increased scope for compounding offences further erodes regulatory efficacy.

The envisioned digital infrastructure—such as the unified Shram Suvidha portal and the e-SHRAM database—is another institutional layer marred by underperformance. Platforms meant to register informal workers, track compliance, and enable portability of benefits remain underutilized or poorly integrated (Shyam Sundar, 2021). Many workers, especially migrants and gig workers, lack digital literacy or necessary documentation, rendering digital inclusion aspirational rather than real.

The state's retreat from field-based inspection and overreliance on digital dashboards reflect a broader deregulatory turn that prioritizes administrative convenience over worker protection. In such

a context, legal provisions remain largely symbolic unless backed by capable institutions.

Trade Union Resistance & Grassroots Mobilization

The codes have also encountered fierce opposition from India's trade union movement. All major central trade unions, with the exception of the Bharatiya Mazdoor Sangh (BMS), have consistently opposed the codes. They argue that the new laws reduce worker protections, weaken collective bargaining rights, and shift the regulatory balance decisively in favor of employers (Shyam Sundar, 2020). The requirement of a 60-day notice period for strikes under the Industrial Relations Code, the expansion of permissible working hours under the OSH Code, and the absence of universal, non-contributory social protection under the Social Security Code are among the most cited grievances.

From 2020 to 2025, trade unions organized multiple general strikes, rallies, and public campaigns demanding repeal or fundamental reworking of the codes. The strike held on July 9, 2025, brought together an estimated 250 million workers from various sectors and states, representing one of the largest labor mobilizations in the Indian history (Moss, 2025). The action received support from allied movements, including farmers' organizations, underscoring the codes' broader socio-political significance.

Interestingly, even the BMS, which refrained from joining the general strikes,

has called for selective amendments to the codes. It has endorsed the Code on Wages and the Social Security Code while opposing key provisions in the Industrial Relations and OSH Codes. The BMS has called for phased implementation and greater clarity in rule-making, suggesting that opposition to the codes is not confined to left-oriented unions alone (Pandey, 2025).

These governance failures are especially stark in the platform economy, where gig workers face rapidly shifting terms of engagement without statutory recourse. A July 2025 protest by Zomato delivery workers in Thiruvananthapuram exemplifies this. The introduction of a ‘Select to Go’ algorithm that guarantees faster order allotments in exchange for reduced pay prompted a 48-hour token strike. Workers reported long wait times, falling incentives, and manipulative reporting of work hours, leading to a drastic reduction in real earnings. Despite prior engagement with management, no institutional mechanisms were triggered to resolve the dispute. The workers’ union, lacking formal recognition under current labor law, resorted to street-level protest and threatened escalation. The incident illustrates how, in the absence of enforceable protections or platform regulation, workers are increasingly reliant on self-organization and public pressure—a trend that underscores the Codes’ failure to offer effective governance in new labor markets.

A broader pattern of labor coercion and fragmented protection emerges when the Zomato strike is read alongside fac-

tory-based employment regimes in India’s electronics sector. While Zomato delivery workers in Thiruvananthapuram resisted algorithmic throttling of wages and work allotment through collective action and app switch-offs, workers in Apple’s Tamil Nadu supply chain face a different form of disenfranchisement. At Foxconn and Pegatron units, young women are employed under fixed-term or third-party contracts and housed in employer-controlled dormitories where surveillance, restricted mobility, and retaliation for complaints are common. Unlike gig workers who can contest terms in public, these factory workers lack visibility, voice, and continuity of employment. The situation echoes the December 2020 violence at Wistron’s Narasapura facility, where delayed wages, excessive overtime, and opaque human resource practices triggered a spontaneous uprising. Despite Apple’s public commitment to supplier responsibility, these incidents show how its subcontractors exploit regulatory ambiguities under India’s new labour codes—leveraging fixed-term norms, weak grievance enforcement, and diluted inspection regimes. Together, these examples underscore how Shram Shakti Niti 2025 and the Codes enable different forms of managerial control: algorithmic compulsion in platform work and dormitory-dis-

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cipline in factory work. Both function within a deregulatory legal framework that treats formalization as visibility without accountability, and empowerment as employability without enforceable rights.

The experience of women service partners on the Urban Company platform offers yet another facet of India's fragmented labor regime, particularly in feminized sectors such as beauty and home services. These workers—classified as “partners”—bear the cost of professionalization without corresponding labor protection. While the company promotes formalization through uniforms, training, and branding, it simultaneously enforces steep commission cuts, opaque rating-based penalties, and restrictive onboarding conditions. This dualism—branding as entrepreneurs but controlling them as workers—mirrors the precarity observed in Zomato's “Select to Go” algorithm and Apple's subcontracted workforce. Struggles for basic protections, including predictable earnings, grievance redressal, and insurance coverage, have met with limited institutional support. The Code on Social Security nominally includes gig and platform workers, but Urban Company's model underscores the absence of operational clarity, implementation architecture, and platform accountability. This case makes visible how algorithmic governance intersects with gendered labor hierarchies, further complicating the promise of universal protection and social mobility under India's labor codes and policy vision.

The government's decision to delay notification of the codes before the 2024

general elections was widely interpreted as a tactical concession to this wave of resistance. In effect, trade unions have succeeded in making the codes politically radioactive, at least for now.

Labor Codes & ILO Standards

India's labor law reforms—encapsulated in the four Labor Codes and the policy vision of Shram Shakti Niti 2025—have been presented as aligning with international norms and the ILO's Decent Work Agenda. However, a critical review through the lens of ILO Conventions 144 (Tripartite Consultation, 1976) and 81 (Labor Inspection, 1947) reveals fundamental departures. These conventions form the normative backbone of participatory labor governance and effective regulatory oversight. India has ratified both, making adherence a matter of not just legal obligation but also legitimacy in the global arena.

Tripartism Undermined: Violations of Convention 144

Convention 144 requires that governments conduct regular, meaningful consultations with employers' and workers' organizations when formulating or revising labor laws and policies. Historically, India institutionalized this principle through the Indian Labor Conference (ILC), which functioned as a national platform for tripartite dialogue since the 1940s. However, no ILC has been held since 2015. The drafting and passage of the Labor Codes between 2019 and 2020 occurred without convening this body or any comparable national-level consulta-

tive mechanism (Sundar & Sapkal, 2020).

Major trade unions have documented their exclusion from the consultative process, noting that while select comments were invited, there was no structured negotiation or consensus-building. The International Labor Organization itself expressed concern over the absence of tripartite engagement. The ILO Director-General reportedly wrote to India's Prime Minister in 2020 urging adherence to Convention 144 and the restoration of institutional dialogue (ITUC, 2021).

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This sidelining of tripartism represents a serious erosion of procedural legitimacy. While Shram Shakti Niti 2025 references “dialogue” and “stakeholder coordination,” these principles were not upheld in practice. By bypassing structured consultation, India weakens one of the pillars of democratic labor regulation, replacing negotiated governance with unilateral executive action (Nanda, 2020).

Labor Inspection Retrenched: Gaps with Convention 81

Convention 81 obliges member states to maintain an independent, adequately staffed labor inspectorate empowered to enter workplaces, investigate conditions, and enforce compliance. It enshrines the

principle that enforcement must be proactive, universal, and immune to political or commercial influence.

The Labor Codes, however, recast inspection into a facilitation model. Inspectors are now termed “inspector-cum-facilitators,” and inspections must often be pre-approved and drawn from a computerized, risk-based allocation system. Surprise inspections have been curtailed, and employers are encouraged to self-report compliance via digital platforms (Chaudhary & Remesh, 2021).

Furthermore, thresholds for applicability under the Occupational Safety, Health and Working Conditions Code exempt many small enterprises—often the most vulnerable worksites—from routine inspections altogether. This narrowed scope of coverage directly contradicts Convention 81’s universality requirement.

The ILO’s supervisory bodies have raised concerns about this dilution. In global reviews of compliance, India has been flagged for weakening its inspectorate, both in staffing levels and in autonomy. By prioritizing ease of doing business over enforcement capacity, the state has effectively abdicated its duty to ensure safe and lawful working conditions for millions (Geetha & Narayan, 2025).

Global Parallels & Divergent Paths

Comparative experiences from other ILO member states highlight the normative risks of sidestepping these conventions. Indonesia’s Omnibus Law reforms in 2020 were similarly pushed through

with minimal consultation, prompting domestic protests and ILO scrutiny over Convention 144 violations. In contrast, South Africa's National Economic Development and Labor Council (NEDLAC) continues to anchor major reforms in social dialogue, aligning more closely with tripartite norms.

Brazil's 2017 reforms, aimed at labor flexibility, were also criticized for bypassing union input and weakening inspection. These cases show that deviation from global standards often correlates with diminished legitimacy, worker unrest, and reputational damage (IndustriALL, 2020).

India's reforms echo aspects of these trajectories. While the state claims alignment with global best practices, the procedural gaps in consultation and enforcement place it closer to deregulation experiments than to rights-based governance models.

Erosion of Normative Legitimacy

India's labor governance reforms present a dual image: a policy landscape framed in the vocabulary of dignity, dialogue, and inclusivity, and a legal structure that centralizes discretion, fragments enforcement, and sidelines stakeholders. This divergence is particularly stark when measured against the requirements of ILO Conventions 144 and 81.

Without mechanisms for genuine consultation or robust inspection, the state's claim to uphold international labor standards appears increasingly

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performative. Restoring normative legitimacy will require more than digital compliance platforms—it will demand the revival of institutional tripartism, reinvestment in enforcement capacity, and a genuine commitment to the principles India has long endorsed at the international level.

Conclusion

India's labor reform project, represented by the four Labor Codes and the Draft National Labor and Employment Policy (Shram Shakti Niti 2025), marks a major institutional shift toward a digital, unified, and ostensibly inclusive regulatory framework. Yet beneath its language of modernization and empowerment lies a persistent disjunction between vision and design. The reforms appear more focused on administrative consolidation and investor confidence than on strengthening the substantive rights and security of workers.

Shram Shakti Niti 2025 articulates a moral vision rooted in dignity, inclusion, and social justice, drawing on the idioms of *cerama dharma* to frame labor as both economic and ethical duty. However, this rhetorical idealism is weakened by its limited articulation of enforceable rights and by its silence on the most controversial aspects of the new legal framework. The Labor

Codes, in contrast, operationalize a technocratic and market-oriented model—expanding managerial flexibility, weakening collective bargaining, and reducing state intervention under the banner of “ease of doing business.” Formalization, as envisioned in law, becomes a matter of registration and data capture rather than job continuity or welfare guarantees.

The broader architecture of reform thus reflects a state that aspires to appear facilitative but acts as a regulator in retreat. Digital governance mechanisms, risk-based inspections, and algorithmic oversight are promoted as tools of transparency and efficiency, yet they often substitute technology for accountability. In practice, these instruments risk reproducing exclusion, especially for informal and rural workers who lack digital access. The resulting model privileges visibility over protection—tracking workers without necessarily safeguarding them.

Global parallels reinforce this caution. China’s experience with casualized factory labor and algorithmically managed gig work underscores how technological governance can deepen precarity under the guise of flexibility. India’s own platform workforce mirrors these vulnerabilities, revealing that data-centric formalization may expand surveillance rather than solidarity.

Ultimately, the tension between policy rhetoric and statutory reality captures the essence of India’s current labor governance dilemma: a state that promises empowerment but legislates restraint. Genuine reform requires mov-

ing beyond symbolic inclusion and toward enforceable guarantees, social dialogue, and institutional renewal. Only through rights-based participation and accountable implementation can India’s labor governance evolve into a system that combines economic growth with dignity, fairness, and security for its workers.

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