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# THE INTERSECTION OF WAGE LAWS AND THE RIGHT TO LIVELIHOOD: A CRITICAL ANALYSIS

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## ABSTRACT

The Government of India has undertaken a significant restructuring of its labour law framework by consolidating 29 pre-existing statutes into four comprehensive Labour Codes. The legislative transformation reflects a deliberate effort to align labour regulation with economic and social realities of the 21<sup>st</sup> century. Among these reforms, the Code on Wages, 2019 assumes particular importance, as it seeks to universalize statutory wage protection and extend its coverage to a broader spectrum of workers. By emphasising mechanisms for ensuring minimum income security and timely payment of wages, the Code aspires to benefit millions of workers, particularly those in the unorganised sector.

The research paper undertakes a critical examination the Code on Wages within the broader constitutional framework of the Right to Livelihood – recognised as a foundational socio-economic right implicit in the Constitution of India. It traces the historical evolution of wage legislation in the country, situating the Code within the trajectory of labour law reforms aimed at ensuring fair remuneration and advancing social justice. The study further analyses the key legal innovations introduced by the Code, including the structural consolidation of wage laws, the redefinition of wage components, and the expansion of regulatory mechanisms. In addition, it evaluates the socio-economic and legal challenges arising from this reform, particularly in the context of India's rapidly transforming labour market, marked by increasing informalization, contractualization, and the growth of gig-based employment. By examining the statutory framework alongside implementation challenges and ground realities, the paper seeks to assess whether the Code effectively strengthen livelihood security and upholds the economic dignity of workers, or whether it risks diluting protective labour standards under the pressures of market driven flexibility.

**Keywords:** Labour Codes, Code on Wages, Informal Sector, Gig Economy, Right to Livelihood.

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## INTRODUCTION

Employment in India is broadly distributed across two segments of the economy, namely the Organised (formal) sector and the Unorganised (informal) sector. Paradoxically, despite the existence of a structured formal economy, the Indian labour market remains overwhelmingly dominated by informal employment. More than 90 per cent of India's workforce is engaged in informal employment, comprising largely self-employed persons, casual labourers, and workers without written contracts or social security protection. This sector not only absorbs the vast majority of labour force but also contributes substantially to the national economy, accounting for nearly half of the country's Gross Domestic Product (GDP)<sup>1</sup>.

The predominance of informal employment reflects structural realities such as limited industrial absorption, agrarian distress, low skill levels, and the prevalence of micro and small enterprises. However, it also highlights persistent vulnerabilities, including income insecurity, absence of social protection, wage instability and weak collective bargaining power. These structural characteristics render the informal workforce particularly sensitive to changes in wage regulation and labour policy, thereby making the Code on Wages, 2019, crucial to the broader discourse on livelihood security in India.

For decades, the labour sector in India was regulated by a complex and fragmented framework of statutes, many of which were enacted a century ago, including several laws that were even drafted during the British period. This multiplicity of legislations created a dense regulatory web marked by overlapping provisions, procedural rigidity, and significant compliance burdens for employers. The regime was often criticised for its stringent penal consequences, multiplicity of registrations, inspections, and returns, which contributed to administrative inefficiencies and discouraged formalization of enterprises. At the same time, despite its protective orientation, the earlier framework failed to adequately secure the interests of workers in the informal sector. A large segment of the workforce remained outside of effective reach of welfare protections due to definitional limitations, weak enforcement mechanisms, and structural informality.

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<sup>1</sup> National Statistics Commission, Report of the Committee on Unorganised Sector Statistics (Feb., 2012).

## RIGHT TO LIVELIHOOD: A CONSTITUTIONAL IMPERATIVE

The Right to Livelihood is not explicitly mentioned in the Constitution of India. The Supreme Court of India, in its various decisions, has given an extended connotation to the Right to Life and has recognised the Right to Livelihood as a part of Article 21 of the Constitution<sup>2</sup>.

In *Olga Tellis vs. Bombay Municipal Corporation*, the Apex Court held that the *right to life* included the *right to livelihood*. However, the Court clarified that no person could claim the right to livelihood by the pursuit of an opprobrious occupation or a nefarious trade or business, like tautism, gambling or living on the gains of prostitution<sup>3</sup>. The Court, explaining the scope of the *right to life*, laid down:

*The right to life includes the right to livelihood.... If the right to livelihood is not treated as a part of a constitutional right, the easiest way of depriving a person of his right to life would be to deprive him of his means of livelihood to the point of abrogation. Deprive a person of his right to livelihood, and you shall have deprived him of his life<sup>4</sup>.*

In *Narendra Kumar Chandla vs. State of Haryana*, the Apex Court held that Article 21 protected the right to livelihood as an integral facet of the right to life. Therefore, an employee affected with an unfortunate disease due to which he could not perform the duties of his job, should be adjusted in a post, which the employee would be suitable to discharge, and he would be entitled to be protected as far his earlier salary was concerned<sup>5</sup>.

The Right to Livelihood is further supported by the constitutional directives under Part IV of the Constitution of India, viz; the State shall ensure citizens have adequate means of livelihood - Article 39(a), the State shall secure the right to work, education, and public assistance in certain cases – Article 41, Living wages and decent working conditions- Article 43. Though these directives are not enforceable in the Courts, they still they guide the dispensation of the day in policies and governance<sup>6</sup>.

At the international level, the Right to Livelihood finds mention in the Universal

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<sup>2</sup> Narinder Kumar, Constitutional Law of India, 348 (Allahabad Law Agency, 10<sup>th</sup> ed., 2021).

<sup>3</sup> AIR 1986 SC 180.

<sup>4</sup> Kapila Hingorani v. State of Bihar, JT 2003 (5) SC 1.

<sup>5</sup> AIR 1995 SC 519.

<sup>6</sup> India, Const. art. 39,41,43.

Declaration of Human Rights (UDHR)<sup>7</sup> and the International Covenant on Economic, Social and Cultural Rights (ICESCR). India, being a signatory to these conventions, aligns its constitutional values with these principles.

It can be inferred that the Indian judiciary has consistently expanded the socio-economic rights of the citizens under the ambit of Article 21 of the Constitution. Even in the cases of eviction, displacement, and unemployment, it has emphasized that the State must not act arbitrarily in depriving individuals of livelihood.

## **EVOLUTION OF THE CODE ON WAGES**

With the advent of Liberalization, Privatization and Globalization (LPG) policies in the early 1990s, the Indian economy underwent significant transformation, characterised by increased market competition, privatization of public enterprises, and integration into the global economy. In this changing economic landscape, the need for rationalization and harmonization of labour laws became increasingly evident in order to make them compatible with each other<sup>8</sup>.

The two-decade-long deliberations and consultations with business associations and trade unions led to the passage of the Wage Code 2019 by the Ministry of Labour, followed by the Occupational Safety, Health and Working Conditions Code, the Industrial Relations Code, and the Social Security Code in 2020<sup>9</sup>. The four Labour Codes, brought into force broadly from November 21, 2025, and are likely to be operational by April 1, 2026. These are designed to modernize labour governance, simplify compliance procedures, and expand the protective net of labour welfare legislation. Since nearly 90 per cent of India's workforce is engaged in the unorganised sector, the reform carries profound implications for livelihood security, income stability, and socio-economic justice<sup>10</sup>.

Prior to this, wage and bonus laws were fragmented across multiple statutes and regulations, having no uniform base, a lack of minimum income guarantee, etc. The New Wage Code has consolidated four key labour laws, namely the Payment of Wages Act, 1936, the

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<sup>7</sup> The Universal Declaration of Human Rights (UDHR), art.23.

<sup>8</sup> Government of India, Report of the Second Commission of Labour, (2002).

<sup>9</sup> Catharina Hansel, The Three Dimensions of the Indian Wage Code (2019): Shifting Economic, Socio-political and Legal Values? 27, E-Journal of International and Comparative LABOUR STUDIES, Vol.11 No. 02/2022.

<sup>10</sup> <https://www.pib.gov.in/newsite/pmreleases.aspx?mincode=21&reg=3&lang=2>

Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976<sup>11</sup>.

## PURPOSE OF THE CODE

The aim of the Code on Wages is to address wage disparities, promote fairness, and ensure equitable treatment for the workers across various sectors of the economy, a step towards simplifying and rationalising the country's labour law system. Further, it helps to create a fair, transparent, and inclusive wage system that would not only protect the rights of the workers, but also promote gender equality, foster economic security, and provide a conducive environment for business enterprises by simplifying compliance, etc<sup>12</sup>.

## APPLICATION OF THE CODE

The Code on Wages is regarded as a landmark legislation enacted to overhaul the framework of governing wages, remuneration, and associated rights of the workers in both sectors of the economy. According to the government, the New Wage Code will apply to all employees and will cover 500 million workers across the country.

## INNOVATIONS OF THE CODE AND THE RIGHT TO LIVELIHOOD

The Code on Wages is a transformative piece of legislation in India to overhauling labour law framework, aimed at simplifying and modernising wage regulation. The key innovations of the Code for achieving the perspective of the Right to Livelihood for the workers in various sectors of the economy are as follows:

- 1. Definition of Wages<sup>13</sup>:** The revised framework has been simplified and clarified to ensure greater consistency in the calculations of minimum wages. Under the new structure, wages primarily comprise basic pay, dearness allowance, and retaining allowance. The other components, such as House Rent Allowance (HRA), overtime, bonus or commissions, are excluded from the wage definition, unless these exclusions exceed fifty per cent of the total remuneration. In such cases, the excess amount must

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<sup>11</sup> Dr. Sonika Ahlawat, The New Code on Wages in India: Bridging Gaps in Wage Regulation, Vol. 7, IJFMR, 1-10, 2 Issue 1, Jan- Feb (2025)

<sup>12</sup> *Id.* at 11.

<sup>13</sup> The Code on Wages, 2019, sec. 2(y)

be added back to wages to maintain a prescribed threshold. The broadened wage base results in higher contributions toward Provident Fund (PF) and gratuity, thereby strengthening employees' long-term social security benefits. It is a big step in enhancing the prospects of the right to livelihood of an employee in his old age.

2. **Minimum Wages for All:** The Code extends the applicability of minimum wages<sup>14</sup> to all categories of workers, an inclusion that was lacking in earlier legislation. It empowers both the central and state governments to determine minimum wages based on sector, nature of employment, and geographical location<sup>15</sup>. The framework also clearly defines the components and methodology for fixing minimum wages, ensuring greater transparency and uniformity<sup>16</sup>. By providing statutory guarantee of minimum wages, the Code establishes a comprehensive safety net for the workers across all sectors. This measure seeks to reduce wage disparities and promote greater economic equity within society. Additionally, the Code authorizes the central government<sup>17</sup> to fix a universal floor wage at the national level, which serves as the baseline for state-specific minimum wages. No state government<sup>18</sup> may prescribe wage below this floor wage. At the same time, the states retain the flexibility to determine region specific wage rates based on local economic conditions, cost of living, and skill levels, thereby balancing uniformity with regional autonomy. These provisions may be regarded as an umbrella for ensuring minimum wages to the workers, irrespective of the nature of work.
  
3. **Equal Remuneration:** The Code expressly prohibits gender-based discrimination in the matter of wages, ensuring that men and women will receive equal remuneration for work of a similar nature<sup>19</sup>. In doing so, it reinforces the principle of equal pay for equal work and strengthens the legal framework promoting gender equality in the workplace, in harmony with constitutional mandates. Furthermore, the Code explicitly bars discrimination on the grounds of gender in matters relating not only to wages but also to recruitment. By embedding these safeguards within a statutory framework, it marks a significant step toward addressing long-standing wage disparities and fostering a

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<sup>14</sup> Id., sec. 2(s)

<sup>15</sup> Id., sec. 6

<sup>16</sup> Id., sec. 7

<sup>17</sup> Id., sec. 9

<sup>18</sup> Id., sec. 9(2)

<sup>19</sup> Id., sec. 2(v)

more inclusive and equitable work environment<sup>20</sup>. This innovation of the Code promotes equity through the statutory mechanism for the achievement of the right to livelihood.

- 4. Timely Payment of Wages:** The Code mandates the timely payment of wages by prescribing specific deadlines and clearly defined wage periods for different categories of workers<sup>21</sup>, including daily, weekly, fortnightly, and monthly workers. By standardizing payment intervals, it seeks to prevent delay in wage disbursement and to reduce the financial insecurity faced by workers. In addition, the Code requires that wages be paid without unauthorized deductions, thereby providing an added layer of protection to workers' income<sup>22</sup>. This safeguard is particularly significant in protecting the vulnerable workers from exploitation and unjustified withholding of their dues. Moreover, the Code promotes the adoption of digital payment systems to enhance transparency, ensure accountability, and minimize wage related disputes<sup>23</sup>. Collectively, these provisions strengthen income security and contribute to a fairer and more efficient wage payment framework, and thus promotes right to livelihood security of the workers.

## **SOCIO-ECONOMIC AND LEGAL CHALLENGES OF THE CODE**

It is widely acknowledged that India's labour force is predominantly engaged in informal sector, often working without written contracts or clearly defined employment conditions. In the absence of adequate regulatory mechanisms, such workers have historically faced significant hardships, including lack of social security, wage instability, insufficient labour protection, and poor living conditions. The Code on Wages seeks to address these longstanding challenges by extending statutory protections to all workers, irrespective of the formal or informal nature of their employment. Followings are the certain socio-economic and legal challenges of the Code, as under:

- 1. Vagueness in Floor Wage Determination:** By guaranteeing minimum wages and ensuring timely payment of wages across sectors, the Code aims to create a more equitable wage framework. Furthermore, the introduction of a national floor wage and

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<sup>20</sup> Id., sec. 3

<sup>21</sup> Id., sec. 17

<sup>22</sup> Id., sec. 18

<sup>23</sup> Id., sec. 15

universalization of minimum wage coverage strengthen the legal foundation of workers' rights and promote greater uniformity and fairness in wage regulation. However, the Code does not explicitly lay down the criteria or methodology for determining the national floor wage<sup>24</sup>. The absence of a clearly defined framework creates scope for ambiguity and potential inconsistencies in its fixation and revision. It remains uncertain whether the determination process adequately accounts for the crucial factors such as inflation, cost of living indices, family size, and nutritional requirements, that are essential to ensuring a wage sufficient for a basic standard of living.

Given India's vast geographical and economic diversity, the cost of living varies considerably across regions. A uniform national floor wage, if not carefully calibrated, may prove inadequate for workers in high-cost regions, thereby undermining their ability to secure a sustainable livelihood. Conversely, if set at a level disproportionately high for low-cost regions, it may place undue strain on employers, potentially affecting new job creation. Consequently, the effectiveness of the national floor wage depends significantly on transparency, objectivity, and adaptability of the criteria used in its determination.

- 2. Faulty Wage method:** The revised wage definition incorporates the concept of higher contributions toward Provident Fund (PF) and gratuity, thereby strengthening employees' long-term social security benefits. This reform may be viewed as a significant step toward strengthening the right to livelihood, particularly at the stage of superannuation.

However, the restructuring of wage components may lead to a reduction in the immediate take-home salary. While the reform reflects a paternalistic welfare approach by prioritising long-term financial security through mandatory savings over short-term consumption, it may inadvertently impose financial strain on younger employees and those with significant financial liabilities such as loans, EMIs. The consequent decrease in disposable income could reduce their purchasing power and create short-term livelihood pressure.

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<sup>24</sup> Id., sec. 9

Moreover, a decline in immediate consumption expenditure may have broader economic implications, by potentially affecting aggregate demand and resulting in lower direct and indirect tax revenues. Thus, while the reform advances long-term social protection objectives, it also necessitates a careful balancing of present financial needs and overall economic considerations.

3. **Ambiguity in Definitions:** There exists a degree of ambiguity surrounding the terms “employee”<sup>25</sup> and “worker”<sup>26</sup> under the Code. Notably, the definition of employee is broader than that of worker, encompassing a wider range of roles and functions. At the same time, certain provisions of the Code are specifically applicable to employees, whereas labour law jurisprudence has traditionally been anchored in the concept of the worker. This overlap in relation to supervisory and managerial roles creates uncertainty in classification and scope of coverage. The blurred distinction between these categories may lead to interpretational challenges in determining rights, obligations, and statutory protections. Consequently, judicial interpretation may become necessary to clarify these ambiguities and ensure consistent and effective implementation of the law.
  
4. **Gig<sup>27</sup> and Platform Workers<sup>28</sup>:** In the evolving market landscape, there has been a phenomenal rise of gig and platform-based employment, particularly in metropolitan and economically advanced cities. Workers are being engaged through digital platforms such as Uber, Swiggy, Zomato, and Ola, which operate under app-based systems that mediate work allocation, performance evaluation, and payment mechanisms. These workers are generally classified as independent contractors rather than employees. Consequently, they fall outside the traditional employer-employee framework that underpins most labour protections. As a result, they are not guaranteed statutory safeguards such as minimum wages, overtime compensation, or regulated working hours. Their earnings are largely determined by platform-driven algorithms, dynamic pricing models, and incentive structures, which often lack transparency and regulatory oversight. This algorithmic control over wages, combined with income volatility, creates a situation of economic insecurity and limited bargaining power. In this context,

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<sup>25</sup> Id., sec. 2(k).

<sup>26</sup> Id., sec. 2(z).

<sup>27</sup> The Code on Social Security, 2020, sec. 2(35).

<sup>28</sup> Id., sec. 2(61).

the Code on Wages does not adequately integrate gig and platform workers within the ambit of minimum wage protection and thus makes a dent in the livelihood security. This exclusion reflects a widening gap between conventional labour law frameworks and emerging realities digital labour markets, highlighting the need for a more adaptive and inclusive regulatory approach.

- 5. Impact of Artificial Intelligence:** The twenty-first century is marked by rapid technological advancement and continuous innovations within increasingly shorter cycles. In this dynamic environment, the adhococracy<sup>29</sup> has become a structural feature of the informal sector. Simultaneously, the expansion of automation driven by Artificial Intelligence (AI) and digital technologies has begun to reshape employment patterns across industries. In the service sector, especially at the entry and operational levels, it has led to retrenchment, layoffs, and a future reduction in job opportunities. These developments have intensified concerns regarding social security, income stability, and wage protection for the workers. In a labour market already dominated by informality and precarious employment, technological disruption poses significant challenges to ensuring livelihood security and equitable labour standards in the changing economic landscape.

## IMPLEMENTATION CHALLENGES FOR THE CODE

Despite the positive impact of the Code on Wages in strengthening workers' livelihood security, several implementation challenges persist. These issues warrant the immediate attention of policymakers to ensure that the Code functions as a practical, effective, and truly transformative piece of legislation.

- 1. Implementation and Enforcement Gaps:** The effectiveness of the Code hinges on the establishment of a robust enforcement mechanism. Without ensuring the practical implementation of the reform, the legal entitlements guaranteed under the law may fail to translate into tangible workplace realities, especially within the informal sector.

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<sup>29</sup> Alvin Toffler, *Future Shock*, Bantam Books, New York, (1970) (While the term adhococracy was coined by Warren Bennis in 1968, American futurist Alvin Toffler popularized it through his book *Future Shock*)

- 2. Inspector-cum- Facilitators:** The Code introduces inspector-cum-facilitators<sup>30</sup> to ensure compliance and resolve disputes, reflecting a shift from a purely punitive framework to a more collaborative and corrective approach. While this dual role is designed to encourage voluntary compliance and foster trust between regulator and stakeholders, it may inadvertently place excessive demands on officials. Balancing enforcement with facilitation responsibilities could prove challenging, potentially resulting in diluted oversight and weaker implementation, particularly in sectors where non-compliance is widespread and regulatory vigilance is most needed.
  
- 3. Inadequate Resources:** Effective enforcement requires adequate resources, including a sufficient number of inspectors, robust digital infrastructure, and comprehensive training programs. However, labour departments in several states are grappling with institutional challenges such as inadequate funding from respective state governments and persistent understaffing. These constraints leave the enforcement mechanism in a precarious state. The scarcity of resources significantly undermines the capacity to conduct regular inspections or address workers' grievances in a timely and effective manner.
  
- 4. Deliberate non-adherence by Employers and lack of awareness among workers:** It has been observed that the employers in high non-compliance sectors frequently exploit regulatory loopholes to the detriment of workers. Common practices include misclassifying workers as independent contractors and paying a portion of wages in cash or in kind to evade scrutiny by tax authorities. In the absence of stringent monitoring and effective enforcement, such practices are likely to persist, particularly in sectors such as construction, agriculture, and domestic work, thereby undermining workers' livelihood security and weakening labour protections.

Furthermore, a significant proportion of workers in the aforementioned sectors, particularly in the rural areas, remain unaware of their rights under the Code. This lack of awareness discourages them from reporting violations, thereby enabling employers to continue exploitative practices with relative impunity. Moreover, fear of retaliation such as dismissal, wage withholding, often deters

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<sup>30</sup> The Code on Wages, 2019, sec. 51

workers from seeking redressal, further weakening the effectiveness of the enforcement framework.

- 5. Calorie-based Wage Fixation versus Minimum Wages:** The calorie-based wage fixation is based on the principle that minimum wages should be sufficient to meet a worker's basic nutritional requirements, along with essential needs such as clothing, housing, and healthcare. This approach, historically endorsed by judicial pronouncements<sup>31</sup> and labour committees, links wage determination to the concept of living wage, ensuring that workers can maintain a minimum standard of dignity and physical efficiency. On the other hand, the Code on Wages empowers the appropriate government to fix minimum wages based on factors such as skill level, nature of work, and geographical area, without explicitly mandating a calorie-based or need-based formula. Though the Code provides flexibility and administrative discretion to the industry, the absence of a nutrition-linked benchmark may dilute social justice to the largest strata of workers, especially those engaged in the informal sector.
- 6. Economic Pressures on SMEs:** It is widely acknowledged that small and medium enterprises (SMEs) operate within structurally constrained environments. Unlike large firms, they often lack economies of scale, affordable access to institutional credit, substantial bargaining power with suppliers, and a diversified source of revenue. These structural disadvantages limit their financial resilience and operational flexibility. In such a context, the stringent provisions of the Code on Wages, particularly those relating to statutory minimum wages and procedural compliance, impose significant pressure on SMEs. In such an environment, some SMEs may feel compelled to adopt informal or even unlawful practices to reduce their liabilities. Such responses, while aimed at business survival, can ultimately undermine the very objective of wage regulation by harming the livelihood of workers through underpayment, irregular contracts, or unrecorded employment. Though the pressures faced by SMEs are real, resorting to illegality reflects systemic gaps in policy design and support mechanisms rather than an inherent flaw

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<sup>31</sup> Workmen Represented by Secretary v. Management of Reptakos Brett. And Co., AIR 1992 SC 504.

in labour protection itself. A balanced approach, therefore, will address both the sustainability of SMEs and the protection of workers' rights.

## **THE CODE ON WAGES AND LIVELIHOOD SECURITY: A CRITIQUE**

The Code on Wages represents a significant reform in India's labour law framework, aiming to universalize minimum wage protection and ensure timely payments across sectors. It seeks to promote uniformity, transparency, and accountability. In principle, it strengthens livelihood security by mandating statutory minimum wages, prohibiting gender-based discrimination, and expanding coverage to both formal and informal sectors. These measures are essential in a country where informal employment and wage exploitation remain widespread. While it promises a floor wage, which may be fixed by the government, creates a loophole compared to a mandatory '*shall*' requirement. Therefore, its effectiveness depends heavily on enforcement capacity and periodic revision in line with inflation and other parameters. The question arises whether the Code will strive to provide a living wage or just a minimum wage? The minimum wage only covers the bare necessities such as food, shelter and clothing just to ensure survival of the worker, but not a life of dignity. On the other hand, a living wage not only covers basic necessities but also covers health, education, social security and basic comfort, which is considered to be a true realization of the right to livelihood. Therefore, the concept of floor wage is often criticised for being calculated based on consumption units rather than a comprehensive living wage standard which includes education and healthcare for the worker's family.

Moreover, SMEs are operating in thin profit margins and often view stringent compliance requirements as financially burdensome. In such cases, higher wage obligations may inadvertently discourage formal hiring or push enterprises toward informal practices, undermining workers' livelihood security.

Though the Code on Wages is a progressive step toward livelihood protection, its success depends on a balanced implementation, strong monitoring, and supportive measures for SMEs. Without these, the objectives of ensuring a dignified and secure livelihood may remain only partially fulfilled.

## **RECOMMENDATIONS**

To effectively address concerns surrounding the right to livelihood in relation to the Code on

Wages, the following recommendations are proposed:

- Establishing clear and uniform guidelines for states in determining minimum wages would help reduce regional disparities. For example, the states may be required to align minimum wage rates with objective local conditions such as cost of living, inflation, etc.
- A periodic review of the floor wage, taking into account inflation and evolving economic conditions, would help ensure a fair and equitable baseline across all states.
- Strengthening state labour departments through improved funding mechanisms, fresh recruitment drives, and structured training programs is essential for effective implementation. Additionally, the adoption of modern digital tools would help streamline inspections and enable more efficient monitoring and enforcement of compliance.
- Undertaking comprehensive awareness campaigns to educate workers about their rights under the Code, and to encourage them to report violations, would significantly enhance and ensure better protection of labour rights.
- The establishment of robust enforcement mechanisms, such as digital wage tracking and regular audits, would help ensure strict compliance with prescribed wage definitions and protections. Such measures would deter employers from manipulating wage structures and reinforce accountability through the imposition of appropriate penalties.

## **CONCLUSION**

The Code on Wages marks a significant legal advancement in safeguarding wage rights and strengthening livelihood protections for India's workforce, especially those engaged in the informal sector. By consolidating multiple wage-related legislations and broadening the scope of coverage, and ensuring more inclusive coverage, the Code creates a more coherent and inclusive legal framework that aligns closely with constitutional guarantees of the right to livelihood.

However, the effective realization of these rights ultimately hinges on robust implementation, efficient grievance redressal mechanisms, and the periodic revision of wage standards to reflect prevailing living costs. Moreover, sustained policy attention is imperative to ensure that wage reforms do not inadvertently compromise job security or impose disproportionate burdens on small and medium enterprises.