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The Role of Labour Law in Protecting Worker Rights and Fair Wages: A Legal and Socio-Economic Perspective

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ABSTRACT

Labour law is a powerful instrument for promoting justice, dignity, and the decent treatment of workers around the world, and particularly in rapidly industrialising countries like India. The evolution of labour law in India is a long history of workers struggling to secure necessities such as reasonable wages, healthier working environments, and security against exploitation. Despite a sophisticated legal order framed through the Constitution and other laws, recurrent issues such as pay disparities, the vulnerabilities of the informal sector, and enforcement deficits persist. This paper examines the multifaceted role of labour law in protecting workers' rights and ensuring equal remuneration, in the context of statutory provisions, judicial activity, and international norms adopted by India. Through case law, enforcement issues, and socio-economic impact, this paper identifies imbalances between law and practice and recommends focused reforms centred on transparency, inclusivity, and more efficient enforcement mechanisms. It concludes that effective labour law matters not only to the welfare of workers but also to long-term social order and economic prosperity.

Keywords: Labour Law, Workers' Rights, Fair Wages, Industrial Relations, Social Justice.

I. INTRODUCTION

Industrialisation in the nineteenth and twentieth centuries transformed labour relations drastically, creating mass urban workforces and subjecting them to new forms of economic exploitation and social exposure. Factory systems displaced older methods of work, and there was a pressing need for laws to shield workers against long hours, unsafe conditions, and abysmally low wages.

Labour laws are invaluable to the modern economy, as they provide the institutional backbone that secures a minimum standard of employment, addresses wage inequality and workplace

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discrimination, and requires safety provisions to protect life and dignity. By regulating the relationship between employees and employers, labour law not only provides for industrial peace but also serves national economic objectives and social harmony.

Notwithstanding a sophisticated statutory framework, Indian workers, and especially those engaged in the unorganised sector, still suffer from persistent exploitation, delayed payment of wages, unsafe working conditions, and inadequate judicial remedies. These problems underscore the value of continued legislative correction and strengthened enforcement.

The primary aims of this research are: to investigate the means through which Indian labour law safeguards worker rights; to assess the effectiveness of mechanisms for ensuring reasonable wages; and to identify the key challenges in the actual implementation and realisation of these regimes.

This paper is informed by three questions: How do Indian labour laws enforce worker rights? Which statutory and case-law provisions secure reasonable wages? How effective are current enforcement methods? The coverage extends to constitutional guarantees, the principal Acts, case law, and comparative observations drawn from a few international systems, but is constrained by the rate of legislative amendment and the variability of data at the level of implementation.

A. Literature Review

The evolution of labour laws across the world has been a history of the struggles and victories of the working class, in which the primary drivers were the social upheavals that followed the Industrial Revolution and the intervention of reformers. Throughout India's colonial and postcolonial periods, changes in statutory law were largely influenced by a combination of compassion and the desire for economic growth. Instances that mark this change in India's labour laws include the Factories Act, the Trade Unions Act, and the Minimum Wages Act, 1948, which, in particular, marks a significant step in the development of labour law¹.

Among the essential theories that form the basis of labour law, one is the collective bargaining theory, which stresses the necessity of unionisation and cooperation between employer and employee to achieve fair outcomes; another is the social justice theory, which highlights the law's function in correcting imbalances in economic power and preserving the dignity and rights of workers².

¹ The Minimum Wages Act, 1948, No. 11, Acts of Parliament, 1948 (India).

² *Labour Law and Fair Wages: A Socio-Economic Study*, INT'L J. ENG'G, MGMT. & HUMANITIES (2025).

Labour courts in India have contributed significantly to labour protections through interpretation. The judgment in *Sanjit Roy v. State of Rajasthan* (1983)³ held that forced labour, as defined in Article 23 of the Constitution of India⁴, may arise where wages are paid below the statutory minimum. Another example is the verdict in *State of Punjab v. Jagjit Singh* (2017)⁵, which upheld the principle of pay equality and the requirement that employers pay at least the minimum of the applicable pay scale.

A study of ILO conventions and Indian labour law shows that the two are partially convergent and that the convergence is increasing over time: India has reached several milestones in implementing international standards, such as the ratification of the ILO Equal Remuneration Convention; yet enforcement gaps, informalisation, and legal inadequacies remain, particularly in relation to the complexities of the gig economy⁶.

Among the academic debates currently being held, those raised most frequently concern whether the wages presently set are adequate (minimum versus living wage), the coverage and protection of the informalised workforce, gender disparities, and the methods of ensuring ready access to justice for labour disputes.

II. LEGAL FRAMEWORK

A. International Instruments

ILO Conventions Nos. 100 and 111 (Equal Remuneration and Discrimination), which lie at the core of the relevant international instruments, define the basic parameters of Indian laws such as the Equal Remuneration Act, 1976⁷. The United Nations International Covenant on Economic, Social and Cultural Rights (ICESCR) requires member states to ensure decent wages and safe, satisfactory working conditions, norms on which Indian labour laws have been developed⁸.

B. Indian Constitution and Statutory Provisions

The Indian Constitution secures worker rights through Articles 14 (equality), 19 (the right to form and manage unions), 21 (the right to life and dignity), and 23 (the prohibition of forced labour). The Directive Principles of State Policy (Articles 39, 41, 42, and 43A) guide state

³ *Sanjit Roy v. State of Rajasthan*, AIR 1983 SC 328 (India).

⁴ INDIA CONST. art. 23.

⁵ *State of Punjab v. Jagjit Singh*, (2017) 1 S.C.C. 148 (India).

⁶ INT'L LABOUR ORG., *Equal Remuneration Convention* (No. 100), 1951.

⁷ The Equal Remuneration Act, 1976, No. 25, Acts of Parliament, 1976 (India).

⁸ *International Covenant on Economic, Social and Cultural Rights*, Dec. 16, 1966, 993 U.N.T.S. 3.

policy and mandate fair remuneration, good working conditions, and worker participation in management⁹.

The major labour laws include the following.

The Minimum Wages Act, 1948, lays down the minimum wages that may be paid to employees in order to eliminate the possibility of worker exploitation.¹⁰

The Payment of Wages Act, 1936, is aimed at ensuring the prompt payment of wages in full.¹¹

The Equal Remuneration Act, 1976, ends the practice of paying men and women differently on the sole basis of gender.¹²

The Industrial Disputes Act, 1947, includes provisions for the settlement of disputes and the regulation of layoffs.¹³

III. ROLE OF LABOUR LAW IN PROTECTING WORKER RIGHTS

In India, child and forced labour are entirely prohibited by law, and those who carry out such illegal activities are criminally accountable. The Factories Act and related state rules protect employees by setting standards for working hours, leave, holidays, and safety at work, and thereby seek to prevent unhealthy or exploitative conditions¹⁴.

The right to unionise, strike, and bargain collectively, one of the major safeguards of labour in India, is regulated by the Industrial Disputes Act, which sets out the legal mechanism for settling conflicts through dialogue and negotiation. Workers may file their cases in labour courts if they feel they have been treated unjustly, or may approach conciliation and arbitration bodies to resolve their problems without incurring heavy litigation costs¹⁵.

The scope of protection has been expanded by judicial activism. One example is *Sanjit Roy v. State of Rajasthan* (1983)¹⁶, where the Court held that paying relief workers less than the minimum wage during a famine amounted to “forced labour” and thus infringed their constitutional rights, so that not only a fair wage but also lawful conditions of work must be provided where the requirements of the law apply¹⁷.

⁹ INDIA CONST. arts. 14, 19, 21, 23, 39, 41, 42, 43A.

¹⁰ The Minimum Wages Act, 1948 (India).

¹¹ The Payment of Wages Act, 1936, No. 4, Acts of Parliament, 1936 (India).

¹² The Equal Remuneration Act, 1976 (India).

¹³ The Industrial Disputes Act, 1947, No. 14, Acts of Parliament, 1947 (India).

¹⁴ The Factories Act, 1948, No. 63, Acts of Parliament, 1948 (India).

¹⁵ The Industrial Disputes Act, 1947 (India).

¹⁶ *Sanjit Roy*, AIR 1983 SC 328 (India).

¹⁷ INDIA CONST. art. 23.

IV. ROLE OF LABOUR LAW IN ENSURING FAIR WAGES

The Minimum Wages Act, 1948, was a landmark measure: it introduced, for the first time, statutory mechanisms for states to establish and periodically revise the wage minima of scheduled employments, thereby addressing the disparity created by wage bargaining in a capitalist labour market¹⁸.

The Committee on Fair Wages (1948) articulated the concepts of the living wage, the fair wage, and the minimum wage, the last being regarded as the level guaranteeing an adequate standard of living. The law provides for advisory committees and wage boards composed equally of representatives of labour and employers, so that the processes for deciding wage levels are more democratic¹⁹.

Wage boards, together with inflation-based adjustments and other incentives such as cost-of-living allowances and mandatory overtime, help keep wage levels in line with economic conditions. The Equal Remuneration Act strengthens the “equal pay for equal work” principle; the courts have, in addition, struck down employment contracts or schemes that offer wages lower than those prescribed by law²⁰.

The case law is detailed: in *State of Punjab v. Jagjit Singh* (2017)²¹, the Supreme Court held that equal pay for equal work is an inherent part of the constitutional scheme and cannot be subjected to arbitrary classification or waived by contractual agreement. Many other decisions hold that non-payment of minimum wages is a ground for forced labour under Article 23, raising the level of worker protection and indicating that the judiciary is not merely waiting for the executive to solve the problem but is taking proactive steps to ensure that workers receive their wages²².

V. ENFORCEMENT AND CHALLENGES

Although India possesses a substantial enforcement system, comprising labour inspectors, special tribunals, and a number of grievance-handling authorities, the actual implementation of the system varies widely in practice. Owing to staff shortages in regulatory bodies, systemic delays, and a lack of awareness among the public, workers in the informal sectors are often powerless and unable to access their rights.

¹⁸ The Minimum Wages Act, 1948 (India).

¹⁹ COMM. ON FAIR WAGES, REPORT OF THE COMMITTEE ON FAIR WAGES (Gov't of India 1948).

²⁰ The Equal Remuneration Act, 1976 (India).

²¹ *Jagjit Singh*, (2017) 1 S.C.C. 148 (India).

²² INDIA CONST. art. 23.

Corruption and underreporting persist, partly because there is little penalty to deter rule-breaking, leaving many gig workers and contractual employees outside statutory coverage and without a clearly defined employment status. Such tendencies are incompatible with the progressive character of Indian labour law.

Major Obstacles in Enforcement

The two main obstacles that keep people away from the legal-literacy authorities are the lack of resources, felt particularly among inspectors, and the fear among workers of possible retaliation. Wage disputes, delayed salaries, ambiguous employment contracts, and wrongful job classification are among the most common legal problems that workers face.

VI. COMPARATIVE PERSPECTIVE

Germany and Sweden design their policies so that high union density, strong collective bargaining structures, and extensive social security coverage play a pivotal role in providing worker security. Both countries also have rapid and efficient dispute-settlement systems together with legal clarity, which are the main factors securing compliance²³.

With its multiplicity of laws, a largely informal workforce, and frequent changes in the law, addressing the problems generated by the Indian labour market has become a formidable task. However, statutory interventions such as the Code on Wages, 2019²⁴, are indicative of the changes the country is making in aligning with global labour standards and moving closer to international best practices²⁵.

VII. SOCIO-ECONOMIC IMPACT

Labour laws are a major instrument for reducing income inequality and poverty, since guaranteed wage floors, the prohibition of discrimination, and workplace-safety measures are significant factors in such reduction, while also raising national productivity and industrial harmony.

Labour law that works well fosters employee loyalty, lends stability to employment relationships, and supports fair competition, which in turn creates a virtuous cycle of better welfare, higher output, and the economic resilience of a country.

²³ INT'L LABOUR ORG., GLOBAL WAGE REPORT 2022-23 (2022).

²⁴ The Code on Wages, 2019 (India).

²⁵ *Labour Law and Fair Wages: A Socio-Economic Study*, *supra* note 2.

VIII. RECOMMENDATIONS

The principal reforms may include an emphasis on legal awareness and education among workers, labour inspectorates upgraded with modern technology, the introduction of fast-track adjudication for wage disputes, and a comprehensive policy covering all informal, gig, and migrant workers without any confusion about their status²⁶.

It is strongly recommended that wage laws be reviewed and adjusted regularly in line with inflation, economic change, and technological advancement. Strengthening grievance mechanisms and encouraging collective bargaining are significant instruments for democratising labour relations and closing enforcement gaps²⁷.

IX. CONCLUSION

Indian labour law is a central expression of the country's commitment to social justice, the protection of workers, and the sharing of national wealth with the less privileged. Constitutional guarantees, various enactments such as the Minimum Wages Act and the Equal Remuneration Act, and the support of judicial activism together ground the demand for humane treatment, the prohibition of forced labour, and the right to a fair wage. The law is, however, still not fully enforced, mainly because of informality and non-traditional work, where employees' rights are not fully realised. Enforcement gaps arise from factors such as limited regulatory capacity, the complexity of the legislation, and low levels of literacy among the working population. Countries that have achieved stringent enforcement of labour laws offer useful lessons, which India can apply through more streamlined legislation, broader coverage, stronger inspectorates, and incentives for collective negotiation. Over time, a responsive and progressive programme of labour-law reform, attuned to changing economic realities, advances in legal awareness, and the upgrading of institutional infrastructure, can transform the labour laws on paper into real protection. Such adjustments are necessary if labour law is to drive inclusive growth, bridge existing disparities, and improve the quality of life of crores of Indian workers.

²⁶ *Labour Law and Fair Wages: A Socio-Economic Study*, *supra* note 2.

²⁷ INT'L LABOUR ORG., GLOBAL WAGE REPORT 2022-23, *supra* note 24.