

Shram Shakthi Niti 2025:

A desperate effort to implement Labour Codes and Deregulate labour law Governance.

The Shram Shakthi Nirti 2025 which wishes to bring about paradigm shift in India's labour governance from compliance based on regulation and inspection to facilitation and open ended empowerment of employers must be combated through resistance and defiance. **By Com.K.N. Umesh, National Secretary, CITU.**

Union Ministry of Labour & Employment has released a draft policy titled **Shram Shakthi Niti 2025** on 8th October, 2025. The context and purpose of the policy state that it is rooted in constitutional values of equality, justice, and dignity. It derives legitimacy and moral authority from the Constitution of India, which lays the foundation for a just, inclusive, and welfare-oriented labour system, with the Fundamental Rights and Directive Principles as the basis of India's labour governance framework. It claims to be renewed vision for fair, inclusive and future ready labour ecosystem rooted in the civilisation ethos of sram dharma – prescribing moral value of work.

The thrust of draft policy defeats the very purpose and context of the policy as it draws inspiration from the Srama Dharma based on archaic scriptures of Manusmriti and others, attempts to implement labour codes which are in contrast to the values of the Indian Constitution. The First National Labour Commission, headed by Justice Shri P. B. Gajendragadkar, as per the reference made to it by the then Union Government had recommended legislative measures to implement the Directive Principles of State Policy in 1969. But this policy has taken a direction totally contrary to it and claims to be based on the Directive Principles of State Policy. Such claims of inclusivity and fairness of the entire exercise is absolutely false and fraudulent.

Threshold Limits and Exclusivity.

While the Policy talks about inclusivity the fact remains that large section of workers are excluded from the present labour laws domain due to the increase in the threshold limits of employment for coverage, as enshrined in the Labour Codes. The labour codes enacted which are being attempted to be implemented through this policy have increased the thresholds of factories act, contract labour (regulation and abolition) act and industrial disputes act which further excludes large number of establishments employing several crores of workers from their coverage leading to their exclusivity. The codes in spite of insistence by the trade unions have not decreased the threshold limits to expand the coverage. In this situation the claim of inclusivity is only a mockery and fraud on the toiling people. The threshold limit in EPF is 20 and that in ESI is 10, even then the number of subscribers under EPF has been more than those under ESI and this phenomenon exposes the extend of non-compliance of these social security related enactments. Hence, the universal coverage through digitalisation and portability of the social security schemes without any budgetary support shall only turn out to be futile.

Enforcement for compliance to deceptive jugglery of facilitation.

In the policy document, the Ministry of Labour & Employment shamelessly asserts its own “repositioning” to be only employment facilitator ignoring its mandated role of being a regulator to ensure compliance and enforcement through statutory inspections. The policy in tune with the Labour Codes strips Ministry from the responsibility of custodian of labour laws governance as an enforcement machinery and inspection authority providing for self-governance through self-certification along with furthering the decriminalisation of offences of employers brought in through Jan Vishwas Act and Shram Suvidha Samadhan portalisation and centralised random inspection.

Abdicating Custodian Role.

The restructuring of Ministry of Labour and Employment is enunciated by proposing it to be a mere employment facilitator instead of being a custodian of labour legislations, ensuring compliance of related laws of the land, regulating industrial relations as an enforcement machinery. In a way the Labour Ministry's role in the labour law domain of enforcement, regulation, inspection and conciliation /adjudication is sought to be done away through this Policy statement and cut down into being only an employment facilitator with no measurable accountability. In-fact this Policy seeks to empower the employers' class with a license to violate the labour laws, even the much – diluted Labour Codes perpetually, with impunity.

Where are the Jobs to facilitate?

Further even to facilitate employment, the jobs need to be created. The economic survey 2025-25 reveals that on an average 85 lakh jobs are to be generated annually over next decade. But the policies of the

government and incentives doled out in the name of production linked incentive and capex incentive have failed to create claimed jobs. The employment linked incentive is only an instrument of notoriety aimed at phased conversion of even jobs in the formal sectors to be informalised through apprentices, interns and trainees, mostly out of purview and coverage of all labour laws.

Decreasing share of wages - Increasing share of profits.

The annual survey of Industries reveals the stark reality of decreasing share of wages in the net value addition from 30.27% in 1981–82 to 15.97% in 2023–24, while the share of employers' profit during the same period increasing from 23.39% to 51.01%, shrinking the domestic demand. The demand constraint is constraining investment by the employers in spite of huge cash surplus to the tune of Rs.10 lakh crores in the hands of top listed companies thereby retarding creation of decent formal jobs across the sectors. Hence, the tall claim of the government to play the role of employment facilitator does not stand anywhere except in the sound bites of their pet media; what actually is being sought to be facilitated is the dubious project stripping the working people of all their basic rights and protections and push them totally into fragile working conditions, to the absolute advantage of the employers' class.

Increasing Non-Compliance and Violations.

As per the official figures the inspections done under the labour statutes have come down from 45,920 in 2014 to 35,125 in 2022 but the percentage of violations has increased from 54% to 57.2%. In 2022, the violation of minimum wages act is reported in the 58% of inspections and around 4.5 crore of workers are affected. 1,250 workers' protests were forcefully not allowed during 2018–22 and 350 trade union leaders were arrested during 2020–23. 5,250 companies have retrenched the workers massively and as a result, more than 15 lakh workers have lost jobs and in IT/ITES, more than 2.5 lakh employees are retrenched during 2018-22. 85% of food delivery workers earn below minimum wages; 70% of cab drivers lack social security and work 12–14 hours daily without overtime. 65% of women workers are denied maternity benefits, 70% are denied equal pay, and 40% have faced sexual harassment at workplaces. Over 35,000 EPF violations were reported in 2023 alone, amounting to dues exceeding Rs. 2,500 crore—mostly in garments and construction sectors. 85% of unorganised sector workers are not eligible for gratuity due to coverage thresholds. Between 2018–22, 15,000 factory accidents and 4,500 deaths were recorded, with underreporting rampant. Over 12 lakh disputes remain pending, with an average disposal period of 3–5 years; only 25% are resolved within two years.

Above official reports of violations/non-compliance of the basic labour laws exposes the shameful status of the implementation under the stewardship of the Ministry before its repositioning of the new Avatar under Srama Dharma as Facilitator. One can well imagine, the already precarious state of affair of non-compliance/violation of labour laws will further degenerate to which disastrous level, when the government officially departs from its responsibility of compliance. Preferring to ignore the above stark realities, all talks of inclusivity and universal coverage and portability of social security provisions sound like cruel joke to mass of the toiling people who only create values for the entire economy and the society. While the implementation of Labour Codes, meticulously designed to promote exclusion of overwhelming majority of the workers from all protections and legal entitlements, the New Policy Statement promoting further deregulation of labour-law-compliance governance and proposing to replace it with self-certification and voluntary trust-based compliance, repositioning the Ministry itself only as an employment facilitator will create a jungle-raj in the entire world of work.

Desperate backdoor attempt to implement Labour Codes.

The Policy is a desperate attempt to justify the anti-worker provisions of four labour codes to suit the interests of Private Corporates, both domestic and foreign, under neo liberal order with perpetual open-ended empowerment to violate even the Labour Codes at their will. This Policy is thus a renewed version of laissez faire cocktailed with the concepts of archaic smriti scriptures. The efforts of restructuring – that too of destructive nature, initiated aggressively in the last 11 years of Modi led BJP government is echoed through this policy.

Unable to implement the anti-worker and pro-employer four labour codes since 2019-2020, almost since 5 to 6 years of enactment, due to the consistent resistance by the united trade union movement, the government is desperate to implement them through this Policy Regime. Having failed to get the provisions of labour codes fully materialised. Government has come up with this Policy in line with the 2025 Independence Day speech of the Prime Minister for third generation reforms. The increase in working hours across the nation in several states is in tune with the PM's prescription of 'Dham Kam–Dhum Zyada' (Less Cost–More Quality)

Mantra for manufacturers in his speech. The aspects of strengthening conciliation process, speedy adjudication, dispute redressal machinery, industrial relations, right to freedom of association / unionisation, collective bargaining, fair / living wages, dealing with increasing precariousness of employment, service conditions of gig / app-based workers, unorganised workers and concrete plan to implement the directive principles of the Constitution is totally missed consciously in its pursuit to implement the draconian corporate servile process.

Tripartite at Stake.

The tripartite mechanism of Indian Labour Conference (ILC), tripartite consultative bodies, statutory advisory bodies are all given a go bye and other structures as laid down in the labour code are mooted to minimise the role of workers voice in the administration of labour issues. The Modi Government's record of not holding Indian Labour Conference for last 10 years, in spite of persistent insistence by the Central Trade Unions and Parliamentary Standing Committee remarks against the government for not holding it, is also not addressed. Rather the long established practice of evolving consensus based tripartite forum of ILC existing since 1942 is done away with through this policy and a so called annual convergence forums for the joint review of the implementation of the policy is proposed. No representation of workers organisations is proposed in the implementation architecture of National Labour & Employment Policy Implementation Council (NLPI Council), State Labour & Employment Missions and District Labour & Resource Centres (DLERC's). Tripartite mechanism is replaced by unilateralism to further neo-liberal regime in the labour domain.

Onslaught on Federalism.

The basic foundation of federalism of Indian Constitution which includes the labour matters in the concurrent list is also been atrociously undermined through centralization proposing to track the implementation of policy through a Labour & Employment Policy Evaluation Index (LPEI) bench-marking states and independent third-party reviews to ensure restructuring of labour laws regime to suit the neo-liberal interests. The policy ushers in continuance of Modi led government's incentivization for reforms through production linked incentives for the employers and grants to states linked to labour regime reforms by the states. The Policy proposes three phased implementations with the immediate phase of 2025–27, medium-term phase of 2027–30 and long-term phase beyond 2030 which spills over beyond the tenure of this Union Government. To support all three phases, it proposes to prioritise creation of labour reforms fund pooling resources from central, state and private stake holders for the financial sustainability.

Archaic Smriti based Governance ethos.

The Srama Dharma based on Archaic Smriti scriptures is in itself a most regressive-anti-labour concept contrary to the trinity of Indian Constitution – the preamble, the fundamental rights and the directive principles of state policies and the modern democratic labour laws governance based on it. It is an utterly retrograde effort to replace the constitution based democratic governance of labour domain by the ethos of so-called raj dharma founded on the philosophical and ideological outlook of RSS/BJP political project of Hindutva based on the archaic inhuman – scriptures of Manusmriti, Yagnavalkyasmriti, Naradasmriti, Sukrantiti, Artha shastra and the Sulka Nyaya to further the interests of neo-liberal forces in a neo-fascist way. The Manusmriti – which prescribes that women are not eligible to liberty and Varna (caste) based occupation and forced labour which is in contrast to the ethos of constitutionalism and governance of secular democratic Republic, is taken as a source of raj dharma in framing this policy. This in itself denotes the anti-worker, anti-people and fascistic content of the policy.

Scrap Niti - Scrap Codes.

The Shram Shankthi Niti-2025 which wishes to bring about paradigm shift in India's labour governance from compliance based on regulation and inspection to facilitation and open-ended empowerment of employers must be combated through resistance and defiance. Further, the policy statement drawing inspiration from the srama dharma based on the Manusmriti and other archaic smritis must be combated with the constitutional values and ethos. A policy to ensure democratic governance based on constitutional ethos of welfare state through strict regulations, compliance and inspections and better worker centric labour regime based on tripartite mechanism must be urged. Scrapping of the Labour Codes and this Niti is an indispensable pre-requisite for the same. CITU urges scrapping of Shram Shankthi Niti-2025 and the Labour Codes, convening Indian Labour Conference (ILO) to evolve a comprehensive labour policy in line with the workers charter of the Central Trade Unions.

[Source: The Working Class, November, 2025]