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Study Guide



All India Political Parties Meet

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“Discussing Labour Law Reforms Amid Rising Cost of Living and Mass Civil Unrest in the NCR”

Committee Overview

The All India Political Parties Meet (AIPPM) is a simulation of India’s political decision-making process, bringing together representatives of different political parties to deliberate upon issues of national importance. Unlike Parliament, AIPPM is not a legislative body; instead, it serves as a platform for political consultation, negotiation, consensus-building, and policy discussions while reflecting India’s multi-party democratic system.

Delegates are expected to represent the ideologies and priorities of their assigned political parties, balancing public interest, constitutional values, coalition politics, and practical governance. Through debate and strategic negotiation, participants work towards politically viable recommendations on contemporary national issues.

The committee draws inspiration from key institutions that influence policymaking in India, including the Parliament of India, the Union Council of Ministers, State Governments, political parties, and trade unions. By encouraging dialogue, cooperation, and informed policymaking, AIPPM provides delegates with a realistic understanding of how governance functions in the world’s largest democracy.



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Mandate and Limitations

Mandate

The mandate of the All India Political Parties Meet (AIPPM) is to provide a platform for representatives of India's political parties to deliberate upon issues of national importance through dialogue, negotiation, and consensus-building. The committee simulates the functioning of India's multi-party democracy, enabling delegates to represent the ideologies and policy positions of their assigned political parties while addressing contemporary political, economic, constitutional, and governance-related challenges. Through informed debate and strategic negotiation, delegates are expected to formulate practical and politically viable recommendations that reflect both party interests and the broader national interest.

The committee's core mandate includes:

1. *Political Consultation and Deliberation*: Providing a forum for political parties to discuss, debate, and deliberate upon issues of national significance while representing their respective ideologies and policy priorities.
2. *Consensus Building and Negotiation*: Encouraging dialogue, coalition-building, and compromise among political parties to develop recommendations that are politically feasible and capable of gaining broad support.
3. *Policy Formulation*: Examining socio-economic, constitutional, and governance-related issues and proposing practical policy recommendations that balance public welfare, economic development, and constitutional values.



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4. *Representation of Political Ideologies*: Enabling delegates to accurately represent the perspectives, priorities, and interests of their assigned political parties while engaging constructively with opposing viewpoints.
5. *Promotion of Democratic Governance*: Simulating the functioning of India's democratic system by encouraging informed debate, responsible policymaking, and cooperation among multiple political stakeholders. AIPPM functions as a consultative and deliberative body that promotes political dialogue, strategic decision-making, and collaborative policymaking while reflecting the realities of India's diverse and dynamic democratic system.

Limitations

1. **No Legislative Authority** AIPPM is a simulation committee and cannot directly enact legislation, amend existing laws, or pass constitutional amendments. Any recommendations adopted by the committee are advisory in nature and do not possess legal or constitutional force
 2. **No Executive Powers** The committee cannot issue executive orders, implement government policies, direct administrative authorities, or exercise powers vested in the Union or State Governments. Responsibility for policy implementation remains with the appropriate executive authorities.
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- 3. Constitutional Limitations** All discussions and proposed recommendations must remain consistent with the Constitution of India and the existing legal framework. The committee cannot override constitutional provisions, judicial decisions, or the fundamental principles of Indian democracy.
 - 4. Political and Ideological Differences** As the committee represents multiple political parties with differing ideologies and priorities, achieving consensus may be challenging. Political disagreements, party interests, and coalition dynamics often influence negotiations and decision-making.
 - 5. Dependence on Stakeholder Support** The successful implementation of policy recommendations requires cooperation between the Central Government, State Governments, political parties, industry representatives, trade unions, and other stakeholders. Without broad political and public support, recommendations may face significant challenges in implementation.
 - 6. Influence of Public Opinion and Political Feasibility** Policy decisions are often shaped by electoral considerations, public opinion, media scrutiny, and economic realities. Consequently, not every proposal that is theoretically beneficial may be politically feasible or capable of securing sufficient support for implementation.
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Introduction to the Agenda

“Discussing Labour Law Reforms Amid Rising Cost of Living and Mass Civil Unrest in the NCR”

Labour rights and industrial relations are fundamental to India’s economic growth and social stability. Rapid industrialisation, urbanisation, and changing employment patterns have created new economic opportunities while also exposing challenges related to wages, job security, workplace safety, and workers’ welfare.

Rising inflation, increasing housing and transportation costs, and the growing prices of essential goods have placed considerable financial pressure on workers, particularly those employed in contractual and informal sectors. As wage growth has failed to keep pace with the rising cost of living, concerns regarding declining purchasing power, inadequate labour protections, and economic inequality have intensified, contributing to growing labour dissatisfaction and industrial unrest across the National Capital Region (NCR).

India’s labour law reforms, particularly the consolidation of 29 central labour laws into four Labour Codes, seek to simplify labour regulations, improve workplace safety, expand social security, and promote ease of doing business. However, debates continue regarding the implementation of these reforms and their impact on minimum wages, collective bargaining, informal employment, and workers’ rights. The issue has emerged as one of significant political debate due to the differing priorities of key stakeholders.



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The issue has emerged as one of significant political debate due to the differing priorities of key stakeholders.

Business groups advocate for greater labour market flexibility and simplified compliance requirements to enhance productivity and attract investment, while trade unions emphasise stronger legal protections, fair wages, and safeguards against job insecurity.

Governments seek to balance economic growth, employment generation, and investor confidence with social welfare obligations. Workers continue to demand wages that adequately reflect the rising cost of living, improved working conditions, and stronger social security measures. Furthermore, the implementation of labour reforms varies across states owing to differences in administrative capacity and regional priorities, while political parties often adopt contrasting ideological positions regarding the appropriate balance between labour welfare and economic liberalisation.

A substantial proportion of India's workforce remains engaged in informal and contract-based employment, where workers often lack stable incomes, legal protections, and access to adequate social security benefits. These concerns have strengthened demands for fair wages, stronger labour protections, effective implementation of labour laws, and greater dialogue between governments, employers, and workers.



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The increasing economic pressures faced by workers have contributed to strikes, demonstrations, and other forms of civil unrest across the National Capital Region, affecting industrial productivity, public order, and economic confidence.

Policymakers must therefore balance the protection of workers' rights with the need to maintain business competitiveness, investment, and sustainable economic growth. In light of these evolving challenges, this agenda calls upon delegates to deliberate upon balanced and practical approaches that strengthen labour rights, address the cost-of-living crisis, promote industrial harmony, and ensure long-term social and economic stability in the National Capital Region



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Labour Law Reforms

- *Definition*

Labour law is the body of laws governing the rights and responsibilities of employers and workers. It promotes fair working conditions, labour welfare, and economic stability while aligning with international labour standards.

- *Purpose*

Labour law reforms modernise labour regulations to suit changing economic conditions, technological advances, and new forms of employment. In India, they simplify laws, improve compliance, encourage investment, formalise employment, and balance economic growth with workers' rights.

- *Key Objectives*

The reforms consolidate labour laws, ensure fair wages, timely payments, safe workplaces, social security, and effective dispute resolution. They also promote formal employment and extend protections to contract, gig, and platform workers.

- *Major Features*

India consolidated 29 central labour laws into four Labour Codes: the Code on Wages, Industrial Relations Code, Code on Social Security, and Occupational Safety, Health and Working Conditions Code. These standardise wage regulation, industrial relations, workplace safety, and social security while promoting technology-based compliance and fixed-term employment.



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- *Significance*

The reforms improve legal clarity, strengthen labour welfare, encourage formal employment, attract investment, increase productivity, reduce disputes, and support inclusive economic growth.

- *Key Challenges*

Critics argue that some provisions weaken job security and collective bargaining while making retrenchment easier. Uneven implementation across states and the large informal workforce continue to limit access to legal protections and social security.

- *Examples*

The Code on Wages (2019) regulates wages and bonuses; the Industrial Relations Code (2020) governs trade unions and industrial disputes; the Code on Social Security (2020) expands welfare to gig and unorganised workers; and the Occupational Safety, Health and Working Conditions Code (2020) strengthens workplace safety standards.

- *Important Years:*

- 1948: Minimum Wages Act and Factories Act enacted.
 - 1970: Contract Labour (Regulation and Abolition) Act passed.
 - 2019: Code on Wages enacted.
 - 2020: Three remaining Labour Codes enacted, consolidating 29 labour laws into four Codes.
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Rising Cost of Living

- *Definition*

A cost-of-living crisis occurs when inflation raises the prices of essentials such as food, housing, transport, and energy faster than wages, reducing purchasing power and living standards.

- *Purpose*

Rising living costs have become a major economic and social issue, especially in the NCR, placing pressure on low- and middle-income households, informal workers, and minimum wage earners while increasing demands for higher wages and stronger labour protections.

- *Key Causes*

The crisis is driven by inflation, rising fuel and transport costs, higher housing expenses, global energy price fluctuations, supply chain disruptions, geopolitical conflicts, and wage growth that fails to match inflation.

- *Major Impacts*

Higher living costs reduce purchasing power, increase financial insecurity, lower savings, and intensify demands for wage revisions and better labour protections. Informal, contractual, and gig workers are among the hardest hit, leading to labour disputes and public dissatisfaction.



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- *Significance*

The issue affects living standards, inequality, poverty, consumer spending, labour policy, and economic growth. Persistent inflation can undermine social stability if left unaddressed.

- *Key Challenges*

Governments must control inflation while sustaining growth, ensure wages keep pace with prices, strengthen welfare programmes, and improve affordability of housing, public services, and energy.

- *Examples*

Rising prices of food, LPG, fuel, and transport, along with increasing rents in Delhi, Gurugram, and Noida, have significantly raised household expenses and fuelled demands for higher wages and improved working conditions.

- *Important Years:*

- 1948: Minimum Wages Act established minimum wage protection.
- 1991: Economic liberalisation reshaped wages, employment, and living costs.
- 2020: COVID-19 disrupted supply chains, increasing inflation.
- 2022–Present: Global energy price volatility and persistent inflation have significantly increased living costs and strengthened demands for labour protections.



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Mass Civil Unrest in the National Capital Region

- *Definition*

Mass civil unrest refers to large-scale public protests, strikes, demonstrations, or other forms of collective action arising from widespread social, economic, or political grievances. While there is no universally accepted definition, it is generally understood as sporadic but sustained collective action that occurs in a context of social or political instability and may result in disruptions, injuries, property damage, or violence. Peaceful protests and demonstrations are protected under democratic principles and the constitutional right to peaceful assembly.

However, in certain circumstances, they may escalate due to external factors, inadequate dialogue, or excessive use of force. Within the National Capital Region (NCR), such unrest often reflects broader concerns regarding labour rights, wages, inflation, employment, and governance.

- *Purpose*

Mass civil unrest in the National Capital Region (NCR) refers to large-scale protests, strikes, demonstrations, and industrial actions that emerge due to economic, social, or political grievances. As India's principal administrative, political, and economic hub, the NCR, which includes Delhi, Noida, Gurugram, Faridabad, Ghaziabad, and surrounding districts, holds immense national importance.



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Consequently, any prolonged unrest in the region can have far-reaching consequences for governance, economic activity, supply chains, and public confidence. Such unrest often arises from unresolved concerns related to labour rights, unemployment, inflation, wage disparities, poor working conditions, and dissatisfaction with government policies

- *Key Causes*

The recent labour protests across Noida, Gurugram, and other NCR industrial centres demonstrate that civil unrest is often driven by multiple interconnected factors rather than a single issue. Rising inflation and the increasing cost of food, fuel, housing, and transportation have significantly reduced workers' purchasing power while wages have remained largely stagnant. Many workers have also expressed dissatisfaction over inadequate implementation of labour reforms, delayed revision of minimum wages, unsafe workplaces, excessive working hours, contractual employment, and limited access to social security benefits. Growing economic inequality, unemployment, job insecurity, and the absence of effective grievance redressal mechanisms further contribute to widespread public frustration, increasing the likelihood of protests and industrial action.

- *Major Impacts*

Mass civil unrest can disrupt transportation networks, industrial production, supply chains, and essential public services, resulting in substantial economic losses. Large-scale strikes often reduce productivity, delay manufacturing and exports, and adversely affect businesses operating across the NCR.



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Governments may be compelled to deploy additional law enforcement personnel, impose restrictions to maintain public order, or initiate negotiations with workers, employers, and trade unions. Prolonged unrest can also undermine investor confidence, weaken business sentiment, and damage the reputation of industrial regions as stable investment destinations. Where protests escalate into violence, the resulting injuries, arrests, and property damage further intensify social and political tensions

- *Significance*

Mass civil unrest serves as an important indicator of underlying socio-economic challenges and highlights the need for responsive, inclusive, and accountable governance. It reflects the concerns of workers and citizens regarding employment opportunities, wages, labour protections, inflation, and living standards. Such movements often influence public policy by encouraging governments to review labour laws, revise wage structures, strengthen social welfare measures, and improve mechanisms for dialogue between employers, employees, and the state. The ability to address these grievances effectively is essential for maintaining industrial harmony, economic stability, and public trust in democratic institutions.

- *Key Challenges*

One of the foremost challenges is maintaining public order while simultaneously safeguarding the constitutional right to peaceful assembly and protest.



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Governments must balance effective law enforcement with the protection of civil liberties and ensure that peaceful demonstrations do not escalate into violence through excessive use of force or inadequate communication. Another challenge lies in addressing legitimate worker grievances promptly while minimising disruptions to economic activity and public services. Policymakers must also strike an appropriate balance between promoting economic growth, attracting investment, protecting workers' rights, and ensuring social justice. Additionally, improving institutional mechanisms for collective bargaining, dispute resolution, and stakeholder consultation remains critical to preventing future episodes of large-scale unrest.

- *Examples*

Recent labour protests across Noida and Greater Noida in April 2026 involved workers from dozens of factories demanding higher minimum wages, improved working conditions, and implementation of labour protections amid rising living costs. Similar demonstrations occurred in industrial centres such as Manesar and Panipat, where contract workers sought fair wages, safer workplaces, and timely payment of salaries. Nationwide strikes organised by trade unions against aspects of the Labour Codes have also highlighted concerns regarding contractual employment, social security, wage parity, and collective bargaining rights.



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- *Escalation Cycle*

The escalation cycle explains how unresolved socio-economic grievances gradually develop into large-scale civil unrest. Labour-related concerns such as inadequate wages, rising living costs, unsafe working conditions, or weak implementation of labour laws may initially lead to complaints and negotiations. If these grievances remain unresolved, they can escalate into strikes, demonstrations, industrial shutdowns, and, in severe cases, widespread disruption or violence.

Understanding this cycle enables delegates to identify the root causes of unrest rather than merely addressing its consequences. It also helps in formulating preventive policies focused on timely dialogue, effective grievance redressal, stronger labour protections, and balanced law enforcement, thereby promoting industrial harmony and long-term social stability.



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Constitutional & Legal Framework

India's labour governance is based on constitutional guarantees, parliamentary legislation, and the four Labour Codes. Since labour is a subject under the Concurrent List (List III, Seventh Schedule), both the Union and State Governments have the authority to enact labour laws, resulting in variations in implementation across states.

Key Constitutional Provisions

1. Article 14 – Guarantees equality before the law and equal protection of the laws.
2. Article 19(1)(a), (b) & (c) – Guarantees freedom of speech and expression, the right to assemble peacefully without arms, and the right to form associations or unions, forming the constitutional basis for trade unions and peaceful labour protests.
3. Article 21 – Protects the right to life and personal liberty, which has been judicially interpreted to include the right to live with dignity and safe working conditions.
4. Article 23 – Prohibits forced labour and exploitation.
5. Article 24 – Prohibits the employment of children below the age of 14 years in factories, mines, and other hazardous occupations.
6. Articles 39, 41, 42, 43 & 43A (Directive Principles of State Policy) – Direct the State to secure adequate livelihood, humane working conditions, maternity relief, living wages, social security, and workers' participation in the management of industries.



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Important Labour Legislations

1. Trade Unions Act, 1926 – Provides legal recognition for trade unions and protects workers' right to organise and collectively represent their interests. It is now largely subsumed under the Industrial Relations Code, 2020.
2. Factories Act, 1948 – Established standards relating to workplace health, safety, welfare, working hours, and leave for factory workers. Most of its provisions have now been incorporated into the Occupational Safety, Health and Working Conditions Code, 2020.
3. Industrial Disputes Act, 1947 – Governed dispute resolution, strikes, layoffs, retrenchment, and industrial relations before being consolidated into the Industrial Relations Code, 2020.
4. Minimum Wages Act, 1948 and Payment of Wages Act, 1936 – These laws were consolidated under the Code on Wages, 2019, creating a uniform framework for minimum wages and timely payment of wages.

International Framework

India is a founding member of the International Labour Organization (ILO) and has committed to promoting decent work, social justice, and tripartite consultation among governments, employers, and workers. Although labour regulation remains a domestic matter, ILO standards continue to influence India's labour policies and reforms.



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Case Studies

Case Study 1: Maruti Suzuki Manesar Labour Unrest (2012)

- *Background*

The Maruti Suzuki labour unrest at the company's Manesar plant in Haryana remains one of India's most significant industrial disputes. Between 2011 and 2012, workers organised multiple strikes demanding higher wages, improved working conditions, recognition of an independent workers' union, and equal treatment for contract workers, who performed the same tasks as permanent employees but received substantially lower wages. Workers also raised concerns about excessive workloads, limited opportunities for collective bargaining, and the lack of an independent platform to represent their interests.

As negotiations between the management and employees repeatedly failed, tensions continued to escalate. In July 2012, the dispute turned violent following an altercation inside the factory, resulting in the death of the company's General Manager (Human Resources), injuries to more than 100 employees and officials, and an extended closure of the manufacturing plant. The incident caused production losses estimated at nearly ₹25 billion and attracted nationwide attention to the condition of industrial relations in India's rapidly expanding manufacturing sector.



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- *Key Issues*

The dispute centred around several longstanding labour concerns. One of the most significant issues was the unequal treatment of contract workers, who received only a fraction of the wages paid to permanent employees despite carrying out similar responsibilities. Workers also demanded official recognition of an independent trade union that could negotiate directly with the management on their behalf. Concerns regarding workplace conditions, excessive work pressure, and the lack of effective grievance-redressal mechanisms further contributed to dissatisfaction among employees.

The inability of both sides to engage in constructive dialogue ultimately exposed weaknesses in India's industrial relations framework and demonstrated how unresolved workplace disputes can quickly escalate into broader conflicts.

- *Government Response*

Following the outbreak of violence, the Haryana Government deployed police forces to restore law and order within the industrial area. Criminal investigations were launched, resulting in the arrest of several workers who were accused of participating in the violence, while legal proceedings continued for several years. Labour authorities also examined the circumstances surrounding the dispute and the employment practices followed at the Manesar plant.



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The incident prompted renewed discussions among policymakers, employers, and trade unions regarding the need to strengthen dispute-resolution mechanisms, improve workplace communication, and create more effective systems for addressing labour grievances before they develop into serious conflicts.

- *Impact*
- Production losses estimated at nearly ₹25 billion.
- Death of one senior company official and injuries to more than 100 people.
- Temporary closure of the Manesar manufacturing plant.
- Decline in investor confidence and disruption of production.
- Renewed national debate on labour laws, contract employment, and industrial relations.

Case Study 2: Farmers' Protests (2020–2021)

- Background

The Farmers' Protests of 2020–2021 were among the largest and longest-running protest movements in independent India. The demonstrations began after the Government of India enacted three agricultural reform laws that aimed to liberalise agricultural markets and encourage private sector participation.



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However, many farmers, particularly from Punjab, Haryana, and western Uttar Pradesh, believed that the reforms would weaken the existing system of government procurement, reduce the role of Minimum Support Price (MSP), and increase corporate influence over agriculture, thereby threatening their livelihoods.

Thousands of farmers travelled to the borders of Delhi, establishing large protest camps at Singhu, Tikri, and Ghazipur, where they remained for more than a year. Despite harsh weather conditions and repeated negotiations, the protests continued peacefully for the most part and attracted widespread national and international attention. The movement eventually concluded after the Government announced the repeal of all three farm laws in November 2021.

- *Key Issues*

The primary issues surrounding the protests included concerns over livelihood security, uncertainty regarding the future of the Minimum Support Price (MSP) system, greater private sector participation in agricultural markets, and fears of reduced bargaining power for farmers. Protesters also argued that the reforms had been introduced without adequate consultation with farmer organisations and demanded greater transparency in policymaking. The demonstrations further raised broader questions regarding public participation in governance, constitutional rights to peaceful assembly, and the need to balance economic reforms with social welfare.



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- *Government Response*

The Government engaged in multiple rounds of negotiations with representatives of various farmer unions in an attempt to resolve the dispute. Security forces were deployed around protest sites to maintain public order, while barricades and traffic restrictions were introduced at several locations bordering Delhi.

Although discussions initially failed to produce a consensus, the Government eventually announced the repeal of all three farm laws in November 2021. The decision marked a significant policy reversal and underscored the importance of sustained dialogue, stakeholder engagement, and democratic consultation in addressing large-scale public protests.

- *Impact*

- One of the largest and longest protest movements in independent India.
- Repeal of all three farm laws in November 2021.
- Significant disruption to transportation and economic activity around Delhi.
- Increased national debate on agricultural reforms and stakeholder consultation.
- Greater public awareness of democratic participation in policymaking.



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Suggested Moderated Caucus Topics

1. Adjusting the NCR minimum wage framework to reflect inflation and the real cost of living.
 2. Establishing legal rights, social security, and healthcare benefits for informal and platform workers.
 3. Balancing the legal right to strike with the maintenance of critical infrastructure and essential services in the NCR.
 4. Reforming trade union recognition laws and strengthening collective bargaining and dispute resolution mechanisms.
 5. Reducing regulatory burdens to encourage investment while preventing the exploitation of workers.
 6. Expanding targeted welfare measures, including housing support and public transport subsidies, to offset wage stagnation.
 7. Reforming mandatory overtime laws and strengthening workplace safety compliance during economic crises.
 8. Strengthening labour law enforcement by addressing gaps in inspections, wage theft, delayed payments, and employer compliance.
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Conclusion

Labour law reforms, rising living costs, and civil unrest remain deeply interconnected challenges affecting India's economic growth and social stability. While labour reforms aim to modernise the economy and attract investment, concerns regarding wages, workplace safety, social security, and effective implementation continue to drive public debate. At the same time, inflation has increased financial pressures on workers, highlighting the need for stronger labour protections and fair dispute resolution mechanisms.

The committee must recognise that economic growth and labour welfare are mutually reinforcing. Delegates are encouraged to evaluate existing labour policies, examine the impact of rising living costs, and propose balanced, practical solutions that protect workers' rights while promoting industrial harmony, inclusive growth, and long-term stability across the National Capital Region.
