



The Adaptive Reciprocity Framework after the 2020 Labor Codes for managing India's tripartite workforce

Siba Sankar Mishra¹, Dr Bharati Pujari²

¹ Research Scholar, Shri Rawatpura Sarkar University, Raipur, Chhattisgarh, India

² HOD, Management, Shri Rawatpura Sarkar University, Raipur, Chhattisgarh, India

Abstract

The proliferation of contract labor in India's industrial sector has created a complex and contradictory landscape for industrial relations. This paper proposes the Adaptive Reciprocity Framework to explain how large Indian corporations strategically manage a balance between their Primary Segment (through strategic reciprocity) and their Secondary Segment (through controlled transactions). Using a case study, the paper illustrates how this dual system delivers economic efficiency while generating social conflict. Critically, the paper then analyzes the profound impact of India's four new Labor Codes on this established system. It argues that the Codes, particularly the Code on Wages, 2019, severely diminish the economic advantage of the secondary segment by raising mandatory compliance costs. The paper concludes by demonstrating that the formal introduction of Fixed-Term Employment (FTE) necessitates modifying the Adaptive Reciprocity Framework from a duality to a tripartite structure of permanent, fixed-term, and contract segments, suggesting a systemic shift toward compliant flexibility at a higher cost.

Keywords: Contract labor, dual workforce, industrial relations, adaptive reciprocity framework, pluralist perspective, radical perspective, labor market segmentation

Introduction

The Rise of Contract Labor in India

The liberalization of the Indian economy in the 1990s ushered in a new era of industrial relations marked by increased competition and a push for greater labor flexibility. As a result, the use of contract labor has surged across various sectors, fundamentally altering the traditional employer-employee relationship. This shift poses a significant challenge to classical industrial relations theories, which often fail to account for the inherent duality of the modern Indian workforce. It is crucial to note that this industrial relations environment, traditionally shaped by the 1970 and 1947 Acts, is currently undergoing a complete statutory transformation with the introduction of four new Labor Codes, signaling a new era for dual workforce management. This paper seeks to bridge this theoretical gap by proposing a new model that synthesizes existing frameworks to better understand this unique socio-economic phenomenon. It will first review the key concepts of relevant theories and then apply them to a prominent case study, contextualizing the model within a global industrial relations framework.

Foundational Theories of Industrial Relations: A Review

Several academic frameworks have attempted to explain the evolving nature of industrial relations. However, none fully capture the complex reality of India's dual workforce.

The Systems Theory (Dunlop, 1958) ^[2] views industrial relations as a system with "actors" (employers, workers, government) governed by a "web of rules". This theory struggles to explain the rise of contract labor, as the informal relationship between the principal employer and contract worker falls outside its established rules.

The Pluralist Perspective sees an organization composed of competing groups (management and unions) with legitimate

interests. While this explains the dynamics with permanent employees, it is inadequate for understanding the relationship with a non-unionized, peripheral workforce, which lacks the power to bargain collectively.

The Radical Perspective, rooted in Marxist theory, views industrial relations as a reflection of the fundamental conflict between capital and labor. It accurately describes the exploitation faced by contract workers but does not account for the relatively harmonious, pluralist relationships that often exist concurrently with the permanent workforce.

Labor Market Segmentation Theory posits that the labor market is divided into distinct, non-competing segments. The primary segment has high wages and job security, while the secondary segment is defined by low wages and poor conditions. This theory provides a powerful lens through which to view the bifurcated workforce in Indian industry.

Although each of these theories offers a partial explanation, they fail to capture the strategic way in which Indian corporations combine these different approaches to manage their dual workforce.

Global Models of Industrial Relations

To fully appreciate the Indian context, it is helpful to examine industrial relations models in other parts of the world. These models are often shaped by historical, economic, and political factors.

Developed Countries (Pluralist-Corporatist Models): In many developed nations, particularly in Western Europe, the pluralist framework dominates. Industrial relations are highly formalized, with strong trade unions and employer federations engaging in institutionalized collective bargaining. The state often plays a key role as a mediator and regulator. In Germany, for example, the concept of codetermination legally mandates worker representation on corporate boards, institutionalizing a pluralist approach. In

Scandinavian countries, social corporatism involves a high degree of collaboration between the state, unions, and employers to set wages and social policy.

Developing Countries (Hybrid/Transitional Models): Many developing nations have hybrid models that combine formal, pluralist elements with a large, informal sector. While formal industries may have unions and labor laws, a significant portion of the workforce remains outside this system. In nations undergoing rapid industrialization, like some in Southeast Asia, the state may actively suppress union activity to attract foreign investment, leading to a de facto radical framework for much of the labor force, even if pluralist laws exist on paper.

Underdeveloped Countries (Informal-Radical Models): In many underdeveloped countries, the majority of the workforce operates in an informal economy with little to no legal protection. Industrial relations are often a direct reflection of power imbalances, with employers holding a dominant position. While labor laws may exist, they are often not enforced, leading to a de facto radical framework where exploitation is rampant and labor rights are non-existent.

India, with its vast and complex economy, sits at an interesting intersection, possessing characteristics of both developed and developing models, which directly informs the proposed theory.

The Adaptive Reciprocity Framework: A New Model for India

The Indian context is shaped by a unique blend of legal rigidity and economic necessity. The Industrial Disputes Act of 1947 ^[6] makes it difficult for firms with more than 100 employees to lay off workers, which has incentivized the use of contract labor as a flexible, low-cost buffer. To capture this reality, this paper proposes the Adaptive Reciprocity Framework, which is driven by a company's Dual Mandate-Stakeholder Theory.

The Dual Mandate: Large Indian corporations operate under two simultaneous and often conflicting mandates: a Profit Mandate and a People Mandate.

The Profit Mandate is the classical capitalist imperative to maximize shareholder value by prioritizing efficiency, cost-cutting, and flexibility. The use of contract labor is a direct response to this mandate, allowing firms to bypass labor rigidities.

The People Mandate recognizes that corporations in India are expected to contribute to social well-being and community development. This mandate is driven by social pressure, political risk, and the need to maintain brand reputation.

The Segmented Reality: These two mandates create a segmented stakeholder environment. The company's actions toward its workforce are dictated by which mandate each segment serves.

The Primary Segment (People Mandate): Consists of permanent, direct employees who are treated as primary stakeholders. The relationship with this group is pluralist, involving formal negotiations, benefits, and a focus on long-term engagement. This is an act of strategic reciprocity, where the company provides security and welfare in exchange for loyalty and stability.

The Secondary Segment (Profit Mandate): Consists of contract and temporary workers, who are viewed primarily as instruments for fulfilling the Profit Mandate. The

relationship is purely transactional and based on a radical, cost-minimizing framework. This is framed as a controlled transaction rather than pure exploitation, as the company provides a wage above the informal sector but avoids long-term social obligations.

The Adaptive Reciprocity Framework shifts the focus from simple ideological stances to a dynamic, strategic balancing act where the company adapts its level of reciprocity to different employee segments to secure both its long-term stability and short-term profitability.

The inclusion of Gig Workers and Platform Workers in the Social Security Code, 2020 ^[9], is a crucial point of alignment, placing India's labor reforms within the global debate on the instability of work in the 21st century.

Developed economies (like the UK, with its focus on "dependent contractors," and various EU countries) are struggling to regulate the rapidly growing, digitally enabled, non-standard workforce. The traditional division between "employee" and "self-employed" is collapsing.

By legally recognizing Gig Workers and Platform Workers and extending them social security benefits (albeit through a separate fund funded by platform levies), India is acknowledging that the state must intervene to provide a safety net for those who lie outside the formal structure. This aligns India's policy goals with global efforts to mitigate social inequality and economic instability caused by precarious employment.

India is now shifting from Factory Floor to Platform. Although the majority of the four new Labor Codes focus on traditional industrial labor (like the dual workforce), the Social Security Code broadens the paper's relevance by showing the Indian state is simultaneously tackling the labor challenges of the Fourth Industrial Revolution, connecting the issues of the factory floor (contract labor) with the issues of the digital platform economy (gig work).

Adaptive Reciprocity Framework is not just an Indian phenomenon, but a localized manifestation of global trends in labor market segmentation and the state's eventual intervention.

The New Era of Indian Labor Law: A Discussion on the Four Codes

The introduction of four new Labor Codes marks the most significant overhaul of India's labor framework since independence. These Codes namely the Code on Wages, the Industrial Relations Code, the Social Security Code, and the Occupational Safety, Health and Working Conditions (OSH) Code consolidate nearly 29 existing, fragmented laws. Their purpose is dual to simplify compliance for businesses, thereby promoting the Ease of Doing Business, and to extend crucial protections to a larger segment of the workforce. The four new Indian Labor Codes consolidating nearly 29 existing laws to simplify compliance and expand worker protection are as follows

- 1. Code on Wages, 2019:** This code standardizes the definition of "wages" across all labor laws. It mandates that core salary components like basic pay must constitute at least 50% of the total pay, leading to higher statutory benefits like Provident Fund (PF) for workers.
- 2. Industrial Relations Code, 2020:** This code focuses on rules governing employment and industrial disputes. It formally introduces Fixed-Term Employment (FTE),

ensuring these workers receive benefits equal to permanent employees. It also increases the threshold for requiring government approval for layoffs and retrenchments from 100 to 300 employees.

3. **Social Security Code, 2020:** This code aims to provide a universal safety net. Most notably, it extends social security benefits (like PF, gratuity, and insurance) to workers in the unorganized sector, including Gig Workers and Platform Workers, for the first time.
4. **Occupational Safety, Health and Working Conditions Code (OSH Code), 2020:** This code unifies laws related to workplace safety and working hours. It places reinforced responsibility on the Principal Employer for the safety and health of all workers, including contract workers, in their establishment.

For any analysis of the Adaptive Reciprocity Framework, understanding these reforms is essential, as they raise the fundamental cost and compliance requirements of maintaining a dual workforce.

The Code on Wages, 2019 ^[7], directly challenges the primary economic rationale for employing cheap contract labor. By establishing a uniform definition of "wages" and mandating that core salary components like basic pay must constitute at least 50% of an employee's total remuneration, it directly impacts salary structures. Since statutory benefits like Provident Fund (PF) are calculated on this higher basic figure, the total compliance cost for companies increases, making the price difference between contract and permanent labor significantly smaller. This shift pushes firms away from the purely low-cost model toward one emphasizing compliant flexibility.

The Industrial Relations Code, 2020 ^[8], introduces new instruments for flexibility while formalizing the employment relationship. Crucially, it formally recognizes Fixed-Term Employment (FTE). FTE allows companies to hire workers for a specific duration with the assurance that these workers must receive the same wages, benefits, and working conditions as permanent staff doing similar work. This encourages companies to choose a compliant, time-bound workforce structure rather than the old contract labor model which relied on pay disparity. Furthermore, by increasing the threshold for requiring government approval for retrenchments from 100 to 300 employees in many establishments, the Code offers employers greater operational flexibility, though this provision is viewed by critics as reducing worker job security.

The Code on Social Security, 2020, is a landmark step in addressing the structural inequality highlighted by the Adaptive Reciprocity Framework. This Code mandates the extension of social security benefits to a wider population. Most notably, it legally defines and includes Gig Workers and Platform Workers for the first time, signaling a major state intervention to safeguard the interests of the tertiary, non-standard workforce. By bringing these peripheral segments under the social security net, the government is deliberately blurring the lines of the highly segmented labor market, forcing the "Controlled Transaction" segment to move closer to the benefits enjoyed by the "Strategic Reciprocity" core.

Finally, the Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code), challenges the

assumption that the principal employer can be insulated from the risks and responsibilities of the Secondary Segment. The OSH Code, 2020, unifies rules on workplace safety, health, and working conditions. Though it simplifies administrative compliance by consolidating several out-of-dated acts, its most pertinent effect on the dual workforce is the reinforced responsibility it places on the Principal Employer. Companies can no longer shift all accountability for safety violations and health provisions entirely onto the labor contractor. The law holds the main establishment directly responsible for ensuring a safe and healthy environment for all workers, regardless of their employment contract type. This again increases the real-world cost and risk of using contract labor, thereby compelling firms to manage their entire workforce, dual or not, under unified and compliant standards. This directly increases the real-world cost and risk of the Controlled Transaction, compelling the main company to manage its entire workforce, dual or not, under unified and compliant standards.

Impact of the Code on Wages, 2019 ^[7]: Challenging the Economic Efficiency of the Dual Workforce

The firm's core motivation for utilizing the secondary segment (contract labor) under the Adaptive Reciprocity Framework has historically been economic efficiency—achieving flexibility and cost savings through wage suppression and minimal benefit contributions. The Code on Wages, 2019 ^[7], directly challenges this foundational rationale.

Increased Labor Costs and Erosion of Efficiency

The Code on Wages, 2019 ^[7], directly challenges the core assumption that the secondary segment exists primarily for economic efficiency and cost savings. The Code mandates that statutory components, like basic pay, must constitute a minimum of 50% of an employee's total pay. This automatically increases the base on which Provident Fund (PF) and gratuity are calculated, leading to a significant increase in the company's compliance costs and total wage bill for the contract workforce. This statutory intervention severely diminishes the "economic efficiency" dimension of the dual workforce model by narrowing the cost gap between permanent and contract labor, making the use of contract workers for cost reasons alone substantially reduced.

The Code's mandate that statutory components (like basic wages and Dearness Allowance) must constitute at least 50% of the employee's total pay fundamentally changes the contract labor cost structure. In the past, firms lowered their mandated contributions (Provident Fund, gratuity) by keeping the basic wage component artificially low and inflating allowances (which were excluded from benefit calculations).

By raising the floor for the basic wage, the Code automatically increases the base on which PF and other benefits are calculated. This translates directly into a significant increase in the company's compliance costs and total wage bill for the contract workforce. The gap in labor costs between the Primary Segment (Strategic Reciprocity) and the Secondary Segment (Controlled Transaction) narrows considerably.

This statutory intervention severely diminishes the "economic efficiency" dimension of the dual workforce

model. It forces the company to maintain the transactional nature of the secondary segment (no job security) without the corresponding cost advantage. The motivation for maintaining a large contract workforce for cost reasons alone is substantially reduced.

Reduced Take-Home Salary and Potential for Discontent

While the legislation aims to improve long-term financial security for the worker, its immediate effect can be disruptive. As the basic pay component rises, the mandatory deductions for PF also rise proportionally.

Contract employees may experience a reduction in their immediate net take-home salary, even if their total compensation remains the same or slightly increases due to higher statutory contributions.

This situation creates a perverse incentive structure: workers may feel poorer today, potentially leading to increased friction and discontent within the secondary segment. This rising dissatisfaction could escalate the risk of conflict, making the "containment" strategy of the Controlled Transaction segment more fragile and unstable.

The Industrial Relations Code, 2020 [8]: Introducing Fixed-Term Employment (FTE)

The Industrial Relations Code, 2020 [8], introduces Fixed-Term Employment (FTE) as a legally defined alternative to traditional contract labor, requiring a significant structural modification to the Adaptive Reciprocity Framework. The Industrial Relations Code, 2020 [8], challenges the framework's core assumption of a duality (Primary and

Secondary segments) by formalizing a third category of employment. This Code formally introduces and regulates Fixed-Term Employment (FTE), granting FTE workers the same wages and benefits as permanent employees doing similar work. This necessitates a modification of the Adaptive Reciprocity Framework from a duality to a tripartite structure. The new Intermediate Segment (FTE) is based on the rationale of Compliant Flexibility, allowing firms to manage fluctuating demand without resorting to the old, exploitative elements of traditional contract labor.

FTE as a Legal Alternative to Contract Labor

FTE workers are hired directly by the principal employer for a fixed duration but are legally entitled to the same wages, benefits, and working conditions (including gratuity) as permanent workers doing similar jobs.

FTE acts as a cleaner, legal mechanism for flexibility without the exploitative elements of the old contract system (where a third-party contractor often enabled wage disparity). It allows the firm to manage fluctuating demand—the key need of liberalization—without sacrificing compliance or inviting regulatory scrutiny regarding "sham arrangements." Companies are likely to shift labor from the vulnerable contract route to the compliant FTE model for non-perennial, temporary work.

Modification of the Adaptive Reciprocity Framework

The introduction of FTE necessitates redefining the firm's labor market segmentation within the framework, moving from a simple duality to a tripartite structure

Framework Segment	Workforce Category	Core Rationale (The Firm's Strategic Focus)	Legal Mechanism
Primary Segment	Permanent Employees	Strategic Reciprocity (Commitment & Loyalty)	IDA, 1947 / IR Code
Intermediate Segment	Fixed-Term Employees (FTE)	Compliant Flexibility (Time-Bound Expertise)	IR Code, 2020
Secondary Segment	Traditional Contract Labor	Controlled Transaction (Cost & Outsourcing of Non-Core Work)	CLRA Act, 1970 / OSH Code

This modification creates an Intermediate Segment based on Compliant Flexibility. This segment receives full reciprocity on benefits and wages (like the Primary Segment) but is transactional in tenure (like the Secondary Segment). The Controlled Transaction segment is then redefined to primarily cover truly outsourced, non-core activities where the contractor is the true employer, or where the cost efficiency gains are still deemed justifiable despite the rising wage floor.

A Case Study: Hindalco, Sambalpur

The plants at Sambalpur, Odisha, provide a compelling example of this dual reality. The company maintains a workforce of both permanent employees (approximately 1,293) and a larger number of contract workers (approximately 2,076).

The Primary Labor Market: A Pluralist Reality: For its direct employees, the company projects a progressive, pluralist image. It provides formal employment, statutory benefits, and invests in employee welfare and development

through HR policies and community initiatives. Public-facing CSR activities, such as Project Suposhan and Project Kshyamta, are a way to manage its image and foster a sense of shared purpose within a pluralist framework. This fulfills the company's People Mandate and maintains its social license to operate.

The Secondary Labor Market: A Radical Reality: For the contract workers, the relationship is entirely different. They are managed through a contractor, receive low wages, and have limited or no access to the benefits and security enjoyed by their permanent counterparts. This reliance on a large, low-cost contract workforce demonstrates the company's focus on the Profit Mandate. The contractor system insulates the principal employer from direct responsibility, allowing for a system of low-cost, disposable labor to operate in the shadows.

An example is given below, using the context of a large, integrated manufacturing facility like the Hindalco smelter cited in our paper.

Tripartite Adaptive Reciprocity at a Large Smelter

Segment	Workforce Category	Example Job Roles	Company's Motivation (Reciprocity Type)	New Labor Code Impact
1. Primary	Permanent Employees (Direct Hire)	Smelter Operations Engineers, Core Maintenance Teams, Senior Management, HR/Finance Professionals.	Strategic Reciprocity: High wages, full benefits, job security, and career paths used to secure loyalty, retain tacit knowledge, and ensure stable, uninterrupted production.	IR Code, 2020: Increased retrenchment threshold (to 300) reinforces commitment, making this segment more costly and rigid to downsize.
2. Intermediate	Fixed-Term Employees (FTE)	Specialized Project Engineers (e.g., hired for a 1-year digital transformation project), Commissioning Specialists for a new production line, or High-Skill Workers filling a seasonal demand spike.	Compliant Flexibility: Direct hiring for specialized, time-bound tasks. Offers full parity in wages and benefits (Code on Wages) to eliminate exploitation risk, while tenure remains fully transactional and time-bound.	IR Code, 2020: Legitimizes this as the new, legal alternative to contract labor for core, but temporary, work.
3. Secondary	Traditional Contract Labor (Contractor's Employee)	Canteen/Catering Staff, Housekeeping, Security Guards, General Civil Maintenance Workers, Raw Material Handling (logistics).	Controlled Transaction: Outsourcing of genuinely non-core, non-perennial work to a third party to realize the lowest possible operational cost and minimize direct employer responsibility.	Code on Wages, 2019/OSH Code, 2020: Higher mandated wages and increased safety responsibility for the Principal Employer erode the pure cost-saving rationale, forcing Hindalco to verify the contractor's compliance rigorously.

This tripartite structure shows that the company still requires the adaptability of the dual framework, but the new Codes force it to achieve this flexibility through two different channels

- 1. Intermediate Segment (FTE):** Used for compliant flexibility where skills are core and parity is necessary.
- 2. Secondary Segment (Contract):** Reserved for pure outsourcing where the work is truly peripheral and the legal costs, despite rising, are still preferable to hiring permanent staff.

Inter-segmental Dynamics: The Seeds of Conflict

The dual-labor market is not static; the two segments exist in a state of continuous tension. The visible wage and benefit disparity between the two segments serves as a persistent source of friction. The friction and occasional unrest between these two groups are not a failure of the system but rather an expected outcome of the inherent conflict between the two mandates operating within a single organization. A compelling real-life example of this inter-segmental conflict is the violent labor unrest at the Maruti Suzuki plant in Manesar, Haryana, in 2012. The dispute originated with the contract workers, who made up roughly half of the factory's workforce and demanded wage parity with their permanent counterparts and the right to form a union. Lacking a formal channel for negotiation, their grievances eventually boiled over, escalating to a full-blown violent confrontation that involved both the permanent and contract workers and resulted in the death of a senior manager.

The Maruti Suzuki case illustrates the limitations of the pluralist model, as the company had no mechanism to address the radical grievances of the contract workers. The unrest demonstrates that the grievances of one segment can quickly spill over and destabilize the entire industrial relations system. The conflict was fueled by the stark inequality between the two segments of the workforce, proving that a "stable" pluralist relationship with one segment is only as strong as the company's ability to contain the radical realities of the other.

The 2012 Maruti Suzuki unrest serves as a definitive real-world failure case for the original Dual Workforce Model. Its violent outcome was the consequence of rigidly maintaining the Adaptive Reciprocity Framework as a strict duality, which ultimately justifies the need for the legally compliant tripartite structure introduced by the new Labor Codes.

The violent labor unrest at the Maruti Suzuki plant in Manesar, Haryana, in 2012, was a consequence of uncontained radical grievances within the Secondary Segment.

Failure of Duality: The dispute originated with the contract workers, who made up roughly half of the factory's workforce and demanded wage parity and the right to unionize. This demand exposed the fatal flaw in the original dual framework: the company had a Pluralist Model for its permanent staff (the Primary Segment) but no mechanism to address the Radical Grievances of the contract workers.

The Spill over Effect: Lacking a formal channel for negotiation, the grievances of the contract workers quickly spilled over and destabilized the entire industrial relations system, escalating into a violent confrontation that involved both workforce segments.

Proof of Instability: The unrest proved that a "stable" pluralist relationship with the core workforce (Strategic Reciprocity) is only as strong as the company's ability to contain the inherent radical realities of the contract segment (Controlled Transaction). The stark inequality fuelled the conflict, resulting in the death of a senior manager.

The Maruti Suzuki crisis provides empirical evidence that the Controlled Transaction segment is socially unsustainable when used for core, perennial production tasks and where significant wage disparity exists. This directly justifies the legislative shift toward the Tripartite Framework

- 1. Legalizing a "Safety Valve" (Intermediate Segment):** The Industrial Relations Code, 2020 [8], introduces Fixed-Term Employment (FTE) as the

Intermediate Segment. This new segment acts as the state-mandated safety valve for labor management

- **Goal:** It allows companies to retain necessary flexibility (time-bound contracts).
 - **Mandate:** It simultaneously eliminates the exploitation inherent in the old contract system by mandating parity in wages and benefits with permanent employees doing similar work.
2. **Increased Cost of Non-Compliance:** The new Codes (especially the Code on Wages, 2019 ^[7], and the OSH Code, 2020) further raise the financial and legal risk of maintaining the original, cheap, exploitative Controlled Transaction. The state's action signals that the cost of an unstable dual workforce (as demonstrated by Maruti) is now prohibitive.
 3. **Redefining the Tripartite Roles:** The legislative shock forces a rational re-segmentation of the workforce into a tripartite structure, making it more compliant and stable

Primary Segment (Strategic Reciprocity): Core, permanent roles (stabilized commitment).

Intermediate Segment (Compliant Flexibility): Project-based, time-bound roles where wage parity is required (legal substitute for contract labor in core work).

Secondary Segment (Controlled Transaction): Truly non-core, outsourced roles (e.g., catering, security), where rising compliance costs are unavoidable, but the work is peripheral.

The move to a tripartite model is, therefore, a direct legislative response to the instability evidenced by the Maruti Suzuki violence, forcing a systematic shift from cost-based exploitation to compliant flexibility at a higher cost.

Conclusion and Implications

The Adaptive Reciprocity Framework provides a more accurate explanation of modern industrial relations in India. It moves beyond the limitations of static, single-theory explanations by acknowledging the coexistence of a dynamic, strategic relationship with two distinct segments of the workforce. By understanding this duality, we can better analyze the challenges of labor exploitation, social inequality, and the potential for conflict in a rapidly industrializing nation. This framework further suggests that corporate social responsibility initiatives, while beneficial, often fail to address the fundamental structural issues of labor segmentation created and maintained by the primary-secondary divide.

However, this paper demonstrates that the advent of the new Labor Codes, particularly the Code on Wages, 2019 ^[7], and the OSH Code, 2020, fundamentally changes the economic and legal terms of the Controlled Transaction segment, thus eroding the cost-based rationale of the original duality.

Consequently, the original Adaptive Reciprocity Framework is no longer a duality. The legal formalization of Fixed-Term Employment (FTE) by the Industrial Relations Code, 2020 ^[8], introduces a distinct, compliant category of labor. This paper, therefore, proposes a tripartite Adaptive

Reciprocity Framework incorporating the Intermediate Segment (FTE) to accurately account for these new legal realities. The framework remains valid, but future research must analyze how companies adapt to the new, higher cost of flexibility and explore the long-term social and economic implications of this modified model.

References

1. Doeringer PB, Piore MJ. Internal Labor Markets and Manpower Analysis. Lexington Books, 1971.
2. Dunlop JT. Industrial Relations Systems. Henry Holt and Co, 1958.
3. Fox A. A Sociology of Work in Industry. Collier-Macmillan, 1971.
4. Sinha S. The Maruti-Suzuki Manesar plant dispute: Contract labour, industrial relations, and the state. Indian Journal of Industrial Relations, 2013;48(3):540-553.
5. The Contract Labour (Regulation and Abolition) Act, 1970.
6. The Industrial Disputes Act, 1947.
7. The Code on Wages, 2019
8. The Industrial Relations Code, 2020
9. The Social Security Code, 2020
10. The Occupational Safety, Health and Working Conditions Code, 2020