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THE NEW LABOUR CODES OF INDIA: A CRITICAL AND DOCTRINAL ANALYSIS OF THE TRANSITION FROM FRAGMENTED LABOUR LEGISLATION TO A CONSOLIDATED REGULATORY FRAMEWORK

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ABSTRACT

The enactment and eventual notification of India's four Labour Codes — the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 — represents the most far-reaching restructuring of Indian labour jurisprudence since Independence. These four Codes consolidate twenty-nine central labour statutes, several of which trace their origins to the colonial period, into a unified architecture intended to rationalise definitions, widen coverage and improve the ease of doing business.[2] This paper undertakes a doctrinal examination of the four Codes, situates them within the constitutional framework of Articles 14, 19(1)(c), 21 and the Directive Principles contained in Articles 38 to 43A, and evaluates them against the backdrop of established labour jurisprudence, including the Supreme Court's exposition of the term "industry" in *Bangalore Water Supply and Sewerage Board v. A. Rajappa*, its treatment of associational freedom in *All India Bank Employees' Association v. National Industrial Tribunal*, and its approach to contract labour in *Steel Authority of India Ltd. v. National Union Waterfront Workers.* The paper argues that while the Codes achieve a genuine simplification of a notoriously fragmented statutory landscape and extend, for the first time, a statutory framework of social security to gig, platform and unorganised-sector workers, they simultaneously raise

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[2]The consolidation figure of twenty-nine central labour enactments and the colonial-era ancestry of several of the subsumed statutes is widely acknowledged in contemporary policy literature; see PIB, "Government Makes the Four Labour Codes Effective to Simplify and Streamline Labour Laws" (Press Information Bureau, Ministry of Labour and Employment, Government of India, 21 November 2025).

substantial concerns regarding the erosion of collective bargaining strength, the normalisation of fixed-term employment, and the recalibration of thresholds that determine the applicability of protective labour standards. The paper concludes with an assessment of the implementation trajectory following the Codes coming into force on 21 November 2025, and offers recommendations for a rights-consistent implementation.

Keywords: *Labour Codes; Code on Wages 2019; Industrial Relations Code 2020; Code on Social Security 2020; Occupational Safety, Health and Working Conditions Code 2020; labour law reform; collective bargaining; gig workers; constitutional law; India*.

I. INTRODUCTION

Labour legislation in India has historically developed in a piecemeal and reactive fashion. Beginning with the Factories Act, 1881 and continuing through instruments such as the Trade Unions Act, 1926, the Payment of Wages Act, 1936, the Industrial Employment (Standing Orders) Act, 1946, the Industrial Disputes Act, 1947, the Minimum Wages Act, 1948, and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, successive Parliaments enacted more than forty central statutes, each addressing a discrete facet of the employment relationship.[3] Overlapping and sometimes contradictory definitions of "wages", "worker" and "employer" across these statutes created a compliance environment that was, in the words of successive policy reviews, both inconsistent and opaque.

It was against this backdrop that the Second National Commission on Labour, constituted in 1999 and submitting its report in 2002, recommended that the multiplicity of labour laws be rationalised and grouped into a small number of broad, functionally coherent codes.[4] That recommendation lay dormant for over a decade and a half before Parliament acted upon it: the

[3]For an account of the historical proliferation of central labour enactments in India, see B.R. Ghaiye, Labour Legislation: A Historical and Comparative Study (Deep & Deep Publications) and the discussion of legislative fragmentation in the Second National Commission on Labour Report (2002), Ministry of Labour, Government of India, Vol. I, Ch. VI.

[4]The four-Code structure adopted by Parliament between 2019 and 2020 traces its policy lineage directly to the recommendation of the Second National Commission on Labour (2002) that existing labour laws be broadly grouped into four or five codes; see Drishti IAS, "Nationwide Implementation of India's Four Labour Codes" (25 November 2025).

Code on Wages was enacted in 2019, followed in 2020 by the Industrial Relations Code, the Code on Social Security, and the Occupational Safety, Health and Working Conditions Code. Together, these four instruments — hereinafter "the Labour Codes" or "the Codes" — subsume and repeal twenty-nine pre-existing central enactments.

The Codes remained substantially dormant for want of central and state rules for close to five years. The Government of India, through a press notification, brought all four Codes into force with effect from 21 November 2025, while noting that certain provisions and state-specific rules would continue to be operationalised in a staggered manner.[5] This delayed and staggered commencement itself illustrates a structural feature of Indian labour governance: because "labour" falls within Entry 22 to 24 of the Concurrent List under the Seventh Schedule to the Constitution, the Codes require harmonised rule-making by both the Union and the States before they can operate with full effect, a process that has proceeded unevenly across jurisdictions.

This paper is organised as follows. Part II traces the historical and policy rationale for codification. Part III provides a structured overview of the substantive content of each of the four Codes. Part IV examines the pre-existing body of judicial doctrine — developed principally under the Industrial Disputes Act, 1947 and the Trade Unions Act, 1926 — that continues to inform the interpretation of the new Codes. Part V situates the Codes within India's constitutional framework. Part VI analyses the principal reforms introduced by the Codes and the controversies they have generated. Part VII offers a comparative and international perspective with reference to the Conventions of the International Labour Organization. Part VIII surveys the principal criticisms voiced by trade unions and scholars. Part IX reviews the implementation trajectory since November 2025, and Part X concludes with recommendations.

II. HISTORICAL BACKGROUND AND RATIONALE FOR CODIFICATION

[5] PIB, "Government Makes the Four Labour Codes Effective to Simplify and Streamline Labour Laws" (21 November 2025); see also DLA Piper GENIE, "New Labour Codes Usher in a New Era of Compliance" (2025), noting that central and state-specific rules were expected to follow within forty-five days of the notification.

The colonial origins of Indian labour law were shaped principally by considerations of industrial order and imperial revenue rather than worker welfare. Early legislation such as the Factories Act, 1881 was concerned narrowly with the regulation of child labour and working hours in textile mills. The post-Independence period saw a decisive shift in orientation: the Constitution of India, adopted in 1950, embedded labour welfare within the Directive Principles of State Policy, obliging the State to secure a living wage, humane conditions of work, and the participation of workers in the management of industry.[6] It is this constitutional mandate that provided the normative foundation for the subsequent expansion of protective labour legislation through the second half of the twentieth century.

By the turn of the century, however, the sheer proliferation of central and state labour statutes — estimates commonly place the number of central enactments alone at over forty, supplemented by hundreds of state amendments and rules — had produced a regime widely criticised as incoherent. Overlapping jurisdiction between multiple inspecting authorities, inconsistent definitions of "employee" and "wages" across statutes, and the resulting compliance burden were repeatedly flagged as impediments both to worker protection and to industrial investment.[7] The Second National Commission on Labour was constituted precisely to address this fragmentation. Its 2002 report recommended, inter alia, the consolidation of existing labour laws into a small number of Codes covering (i) industrial relations, (ii) wages, (iii) social security, and (iv) safety, welfare and working conditions — a structure that closely anticipates the eventual four-Code framework enacted between 2019 and 2020.

The rationale offered by the Government of India for codification has consistently emphasised three objectives: simplification of compliance for employers, particularly small and medium enterprises; universalisation of statutory protections, especially minimum wage and social security coverage, to workers previously excluded by narrow definitional thresholds; and modernisation of the regulatory architecture to accommodate contemporary forms of work,

[6]Constitution of India, 1950, Arts. 39, 41-43A. Article 43A, inserted by the Constitution (Forty-second Amendment) Act, 1976, specifically directs the State to take steps to secure the participation of workers in the management of undertakings.

[7]See generally K.R. Shyam Sundar, "Labour Law Reforms in India: An Overview" in Reforming Indian Labour Markets (Oxford University Press) and industry submissions before the Second National Commission on Labour, Report (2002), Vol. I.

including gig and platform employment, that did not exist when the predecessor statutes were drafted.[8] Whether the Codes, as ultimately enacted, achieve this stated balance between simplification and protection — or whether simplification has in material respects been purchased at the cost of protection — is the central inquiry of this paper.

III. STRUCTURE AND SUBSTANCE OF THE FOUR LABOUR CODES

A. The Code on Wages, 2019

The Code on Wages, 2019 was the first of the four Codes to be enacted and merges four predecessor statutes: the Payment of Wages Act, 1936; the Minimum Wages Act, 1948; the Payment of Bonus Act, 1965; and the Equal Remuneration Act, 1976.[9] Its principal innovation is the introduction of a single, uniform definition of "wages" applicable across all four Codes, together with a statutory National Floor Wage to be notified by the Central Government, below which no State Government may fix a minimum wage for its jurisdiction.[10] Unlike the Minimum Wages Act, 1948, which applied only to "scheduled employments", the Code extends minimum wage protection universally to all employments, organised and unorganised alike.

A further structural change concerns the definition of "wages" itself. The Code adopts an inclusive definition comprising basic pay, dearness allowance and retaining allowance, while capping other allowances — such as house rent, conveyance and special allowances — at fifty per cent of total remuneration. Where an employer structures remuneration such that allowances exceed this ceiling, the excess is statutorily deemed to form part of "wages" for the purpose of computing provident fund and gratuity contributions.[11] This provision has significant fiscal implications for both employers and employees, since a compressed allowance structure will, in

[8]See Ministry of Labour and Employment, Statement of Objects and Reasons appended to the Code on Wages Bill, 2019, the Industrial Relations Code Bill, 2020, the Code on Social Security Bill, 2020, and the Occupational Safety, Health and Working Conditions Code Bill, 2020.

[9]Drishti IAS, "Nationwide Implementation of India's Four Labour Codes" (25 November 2025).

[10]Code on Wages, 2019, s. 9. Commentators have noted that the floor wage mechanism is intended to reduce regional wage disparity while preserving federal flexibility for States to fix higher minimum wages; see "4 New Labour Codes in India, Features, Objectives & Impact" (Vajiram& Ravi, 2026).

[11]Code on Wages, 2019, s. 2(y); see also India Labour Codes 2026 Guide (DCP Sol, 2026), noting that large enterprises have undertaken payroll impact studies in anticipation of the fifty per cent allowance cap.

most cases, increase statutory retiral contributions while correspondingly reducing net take-home pay.

The Code also retains, with modification, the equal remuneration principle first codified in the Equal Remuneration Act, 1976, prohibiting discrimination on the ground of gender in matters of wages and recruitment for the same work or work of a similar nature, and consolidates the machinery for bonus payment earlier governed by the Payment of Bonus Act, 1965.

B. The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 consolidates the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947.[12] Three features of the Code have attracted particular scholarly and trade-union attention. First, the threshold for mandatory retrenchment and closure permission from the appropriate Government is raised from one hundred to three hundred workers, meaning that a substantially larger set of establishments may now retrench workers or close operations without prior governmental sanction.[13] Second, the Code formalises "fixed-term employment" as a distinct statutory category, entitling fixed-term employees to statutory benefits, including gratuity, on a pro-rata basis without the requirement of five years' continuous service otherwise applicable to permanent employees under the Payment of Gratuity Act, 1972.[14] Third, the Code introduces enhanced procedural requirements for trade union recognition, including a requirement that a trade union command the support of a specified minimum percentage of workers to be recognised as the sole negotiating union or to be represented on a negotiating council, together with heightened notice periods for strikes across all establishments, not merely public utility services as under the erstwhile Industrial Disputes Act.

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[12]Drishti IAS (2025), supra. The consolidation retains, with modification, the tripartite dispute-resolution architecture of conciliation, adjudication and arbitration established under the Industrial Disputes Act, 1947.

[13]Industrial Relations Code, 2020, s. 77; Chapter X ("Special Provision Relating to Lay-off, Retrenchment and Closure in Certain Establishments").

[14]Industrial Relations Code, 2020, s. 2(o); see "A Complete Guide to Four Labour Codes" (SCC Times, 29 November 2025), noting that fixed-term employees become eligible for statutory gratuity after one year of service.

C. The Code on Social Security, 2020

The Code on Social Security, 2020 is, in terms of its stated ambition, the most transformative of the four Codes. It consolidates nine predecessor enactments, including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952; the Employees' State Insurance Act, 1948; the Payment of Gratuity Act, 1972; the Maternity Benefit Act, 1961; and the Unorganised Workers' Social Security Act, 2008. Its most widely noted feature is the extension, for the first time in Indian statutory history, of a defined framework of social security to gig workers, platform workers and unorganised-sector workers, including provision for the constitution of a Social Security Fund financed in part through a cess on aggregators.[15] The Code further consolidates maternity benefit provisions, preserving the twenty-six-week maternity leave entitlement introduced by the Maternity (Amendment) Act, 2017, while extending crèche facility requirements and provisions for flexible and remote work arrangements to a wider set of establishments.[16] Fixed-term employees, as noted above, become eligible for gratuity after one year of continuous service, rather than the five years required of permanent employees, marking a significant liberalisation of the eligibility threshold under the Payment of Gratuity Act, 1972 regime.

D. The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 ("OSH Code") consolidates thirteen predecessor statutes, including the Factories Act, 1948, the Mines Act, 1952, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen Act, 1979, and the Building and Other Construction Workers Act, 1996. Among its notable provisions is the mandatory annual medical examination for workers above forty years of age in specified establishments, an appointment letter requirement for every employee (intended to formalise the employment relationship and create a documentary record for the enforcement of statutory entitlements), and enhanced protections for inter-State migrant workers, including

[15] Code on Social Security, 2020, ss. 2(35), 2(61), 114; see DLA Piper GENIE (2025), noting that the Code extends coverage to "life, health, maternity, and Provident Fund (PF) benefits" for unorganised, gig and platform workers.
[16] "A Complete Guide to Four Labour Codes" (SCC Times, 2025), noting the retention of twenty-six weeks' maternity leave and the introduction of crèche support and flexible work arrangements for women workers.

portability of benefits and a statutory obligation on employers to pay a displacement allowance.[17] The Code also doubles the threshold for the applicability of certain welfare provisions from ten to twenty workers for establishments not using power, and provides for double the ordinary rate of wages for overtime work, alongside enhanced safety-committee requirements in hazardous establishments.

IV. JUDICIAL FOUNDATIONS: CASE LAW UNDERPINNING INDIAN LABOUR JURISPRUDENCE

The Labour Codes do not operate on a jurisprudential blank slate. They inherit, and in material respects textually reproduce, concepts developed over seven decades of adjudication under the predecessor statutes. An appreciation of this inherited case law is indispensable to understanding how courts are likely to construe analogous provisions of the new Codes.

A. The Meaning of "Industry": Bangalore Water Supply v. Rajappa

The single most influential precedent in Indian labour law remains the seven-judge Bench decision in *Bangalore Water Supply and Sewerage Board v. A. Rajappa,* decided on 21 February 1978.[18] Writing for the majority, Krishna Iyer J. articulated what has come to be known as the "triple test" for determining whether an activity constitutes an "industry" within the meaning of Section 2(j) of the Industrial Disputes Act, 1947: the presence of (i) systematic activity, (ii) organised by cooperation between employer and employee, (iii) for the production or distribution of goods or services calculated to satisfy human wants, irrespective of profit motive.[19] The Court expressly held that the absence of a profit motive did not remove an activity from the ambit of "industry", thereby bringing statutory bodies, hospitals, and public utilities such as the Bangalore

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[17] Occupational Safety, Health and Working Conditions Code, 2020, ss. 6, 31 and Chapter XI (Inter-State Migrant Workers); see also Human Resources Online, "Indian Government Implements Four Labour Codes" (24 November 2025), noting that plantation workers with more than ten workers, or plantations of five or more hectares, are now brought within the coverage of the OSH Code and the Social Security Code.

[18] Bangalore Water Supply and Sewerage Board v. A. Rajappa, (1978) 2 SCC 213 : AIR 1978 SC 548.

[19] Bangalore Water Supply, supra note 17; see also Supreme Court Observer, "Definition of 'Industry' — Judgement Summary" (2026), summarising the triple test as requiring "organised activities involving cooperation between employer and employee for the production or distribution of goods or services."

Water Supply and Sewerage Board itself within the protective reach of the Industrial Disputes Act.

The judgment is significant for the present inquiry because the Industrial Relations Code, 2020 substantially retains the definition of "industry" inherited from the 1947 Act, subject to certain express exclusions (such as institutions engaged in charitable, social or philanthropic activity, and domestic service).[20] Krishna Iyer J. himself observed, in remarks that remain apposite to the present codification exercise, that the "tangled web of judicial thought" surrounding the statutory definition of industry could ultimately be resolved only through legislative clarification rather than repeated judicial reinterpretation.[21] The Industrial Relations Code's retention, with only modest amendment, of the inherited definitional framework suggests that the interpretive difficulties identified in *Bangalore Water Supply* are likely to persist under the new regime, notwithstanding the codification exercise's stated goal of definitional clarity.

B. Freedom of Association and the Limits of Article 19(1)(c)

A second foundational line of authority concerns the constitutional status of trade union activity. In *All India Bank Employees' Association v. National Industrial Tribunal*, the Supreme Court considered a challenge brought by a bank employees' association to statutory provisions permitting banks to keep certain reserves confidential.[22] The Court held that while Article 19(1)(c) of the Constitution guarantees the right to form associations and unions, it does not extend to a guaranteed right to collective bargaining, nor to a right that such bargaining achieve any particular outcome; the freedom protected is the freedom to form and join a union, not a freedom to compel the State or employer to engage with it on the union's terms.[23] This narrow construction was reaffirmed in *Kameshwar Prasad v. State of Bihar*,[24] and again in *O.K.A. Nair*

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[20]Industrial Relations Code, 2020, s. 2(p).

[21]See Laws Forum, "Bangalore Water Supply & Sewerage Board v. A. Rajappa AIR 1978 SC 548" (2025), excerpting the opening paragraphs of Krishna Iyer J.'s judgment, in which the learned Judge described the pre-1978 case law on the definition of "industry" as reflecting a "tangled web of judicial thought" requiring authoritative resolution.

[22]All India Bank Employees' Association v. National Industrial Tribunal, AIR 1962 SC 171.

[23]All India Bank Employees' Association, supra; see also LawTeacher.net, "An Analysis of Collective Bargaining", summarising the Court's holding that the right to collective bargaining "is not a constitutional right and neither a legal right" flowing from Article 19(1)(c).

[24]Kameshwar Prasad v. State of Bihar, AIR 1962 SC 1166.

v. Union of India, where the Court held that civilian employees attached to defence establishments could not claim an unqualified right to unionise where doing so was inconsistent with the discipline required of persons connected with the armed forces under Article 33 of the Constitution.[25]

This jurisprudential position — that associational freedom under Article 19(1)(c) is a freedom to organise rather than a guarantee of bargaining power — bears directly upon contemporary criticism of the Industrial Relations Code's enhanced thresholds for union recognition. If collective bargaining strength is not itself constitutionally guaranteed, then a legislative recalibration of the conditions under which a union may be recognised as the sole bargaining agent is, on existing doctrine, difficult to impugn purely as a violation of Article 19(1)(c), even where such recalibration has the practical effect of weakening trade unions' negotiating leverage. Any successful constitutional challenge would more plausibly need to be grounded in Article 14 (arbitrariness or unreasonable classification) or in the Directive Principles read with Article 21, a point elaborated in Part V below.

C. Retrenchment, Contract Labour and the Protection of Continuity of Service

Two further lines of authority merit attention. First, in *Workmen of Subong Tea Estate v. Subong Tea Estate*, the Supreme Court construed the definition of "retrenchment" under Section 2(oo) of the Industrial Disputes Act, 1947 expansively, holding that it encompassed the termination of service of a workman for any reason whatsoever, save for the specific exclusions enumerated in the provision itself — thereby affording broad protection against arbitrary termination framed under some other label.[26] Second, in *Steel Authority of India Ltd. v. National Union Waterfront Workers*, a five-judge Constitution Bench considered the consequences flowing from a prohibition on contract labour under the Contract Labour (Regulation and Abolition) Act, 1970, and held, departing from an earlier line of authority, that automatic absorption of contract workers into the rolls of the principal employer did not follow as a matter of law merely because

[25]Ous KutilingalAchudan Nair v. Union of India, (1976) AIR SC 1179; see Lawyers Club India, "Whether Civilian Employees of the Defense Have the Right to Form Trade Unions as Under Article 19(1) of the Constitution" (2020).
[26]Workmen of Subong Tea Estate v. Subong Tea Estate, (1964) 1 LLJ 333.

contract labour had been prohibited in a particular process or operation.[27] This judgment remains the leading authority on the legal consequences of contract labour abolition, and its reasoning continues to inform the interpretation of the analogous provisions on contract labour retained, with modification, in the Occupational Safety, Health and Working Conditions Code, 2020.

Read together, these decisions illustrate that Indian labour jurisprudence has, over time, developed a broadly purposive approach to the protection of workers within the four corners of statutory text, while simultaneously declining to read implied guarantees — whether of collective bargaining outcomes or of automatic absorption — into the Constitution or the statute where the legislature has not expressly provided for them. This dual character of restraint and purposiveness is likely to shape judicial engagement with the new Codes.

V. CONSTITUTIONAL DIMENSIONS OF THE LABOUR CODES

The Labour Codes must be assessed against at least four constitutional touchstones: the equality guarantee under Article 14, the freedom of association under Article 19(1)(c), the right to life and personal liberty under Article 21 (as judicially expanded to encompass livelihood and dignity of labour), and the Directive Principles of State Policy contained in Articles 38 to 43A, which, though not directly enforceable, inform the interpretation of the fundamental rights with which they are designed to work in harmony.

Contemporary scholarship has framed the central constitutional question raised by the Codes in terms of the tension between the Directive Principles' welfare mandate and the Codes' emphasis on regulatory flexibility. As one recent socio-legal study observes, the "central jurisprudential question is whether the Codes' simplicity meets Articles 38-43A's welfare state requirement", and that "minimalist social security and employer-centric flexibility challenge this normative paradigm".[28] On this view, courts called upon to test the validity of specific provisions of the Codes — for instance, the raised thresholds for retrenchment permission, or the conditions attached to strike notice — may be expected to apply a standard of substantive equality and

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[27] Steel Authority of India Ltd. v. National Union Waterfront Workers, (2001) 7 SCC 1.

[28] Advances in Consumer Research, "Constitutional Protection of Workers' Rights: A Socio-Legal and Psychological Study of Labour Law Reforms in Kolkata and North 24 Parganas" (19 November 2025), citing K. Sankaran & S. Routh, (2021) on the tension between codification-driven flexibility and the constitutional welfare mandate.

proportionality, particularly where a classification (for example, by establishment size) has the practical effect of denying a substantial category of workers access to protections nominally available under the statute.

It is also necessary to record that trade union federations have themselves framed their objection to the Codes in explicitly constitutional terms. Central trade unions opposing the Codes' fixed-term employment provisions have characterised the reform as amounting, in their submission, to a "total demolition of the Constitution", apprehending in particular that a shift toward fixed-term engagement in public employment could dilute constitutionally mandated reservation entitlements for Scheduled Castes, Scheduled Tribes and Other Backward Classes, since fixed-term appointments, unlike permanent recruitment, may not always be routed through processes to which reservation rules attach in the same manner.[29] Whatever view one takes of the merits of this apprehension, it illustrates the extent to which the Codes have become a site of contestation over the proper constitutional balance between economic flexibility and social justice — the same balance that animated the framing of Part IV of the Constitution itself.

A further dimension concerns Article 21's judicially recognised protection of livelihood and dignity of labour, most famously articulated in *Olga Tellis v. Bombay Municipal Corporation*, where the Supreme Court held that the right to life under Article 21 embraces the right to livelihood, since no person can live without the means of living.[30] While that case arose in a wholly different factual context — the eviction of pavement dwellers — its enduring doctrinal significance for labour law lies in establishing that the deprivation of a person's means of livelihood implicates Article 21 and cannot be effected save by a procedure that is fair, just and reasonable. The extent to which the raised thresholds for retrenchment protection under the Industrial Relations Code, 2020 satisfy this standard of procedural fairness for workers in establishments falling below the new threshold remains, at the time of writing, a live and largely untested question before Indian constitutional courts.

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[29]Deccan Herald, "Trade Unions to Strike Against Labour Codes in February" (2026), reporting the position of central trade unions that the extension of fixed-term employment to the public sector could affect the operation of the constitutionally guaranteed reservation framework, particularly as it affects Scheduled Castes, Scheduled Tribes and socially and educationally backward classes.

[30]Olga Tellis v. Bombay Municipal Corporation, (1985) 3 SCC 545.

VI. KEY REFORMS AND DEPARTURES FROM PRIOR LAW

A. Universalisation of Minimum Wage and the National Floor Wage

Perhaps the most widely welcomed reform is the extension of minimum wage protection to all employments, replacing the earlier "scheduled employment" model under the Minimum Wages Act, 1948, which left large segments of the unorganised workforce outside statutory wage protection altogether. The corresponding introduction of a National Floor Wage — a wage floor below which no State may fix its minimum wage — is intended to reduce the wide inter-State disparities that characterised minimum wage-setting under the previous regime, while preserving federal flexibility for States to set higher wages appropriate to local costs of living.

B. Fixed-Term Employment

The formal recognition of fixed-term employment as a distinct category, entitling such employees to statutory parity of benefits with permanent employees (including pro-rata gratuity after one year rather than five), represents a deliberate legislative response to the historical practice of engaging workers through informal or disguised contractual arrangements to avoid statutory obligations. Proponents argue that formalising fixed-term employment, on terms of benefit parity, is preferable to the pre-existing shadow economy of contract and informal engagement that offered workers no statutory protection whatsoever. Critics, by contrast, contend that the availability of a lawful, lower-friction fixed-term route will incentivise employers to substitute permanent recruitment with successive fixed-term contracts, thereby eroding job security without a corresponding constraint on the number of times such contracts may be renewed.[31]

[31]See the discussion of the "risk of contractualisation" in "Four Labour Codes in India: Wages, Industrial Relations, Social Security and OSH Explained" (Study IQ, 17 February 2026).

C. Threshold Recalibration and the Retrenchment Regime

The tripling of the threshold for mandatory government permission before retrenchment, lay-off or closure — from one hundred to three hundred workers — is defended by the Government primarily on the ground that it aligns Indian practice more closely with comparator economies and reduces a disincentive to formal-sector job creation that empirical studies have associated with rigid exit regulation.[32] Labour economists and trade unions dispute both the empirical premise and the distributive consequence of this change, observing that the vast majority of Indian establishments already employ fewer than one hundred workers, such that the practical beneficiaries of the threshold increase are a comparatively small number of larger establishments, while the workers employed within them lose the procedural protection of prior governmental scrutiny before large-scale retrenchment.

D. Extension of Social Security to Gig and Platform Workers

The Code on Social Security, 2020 is the first Indian statute to define "gig worker" and "platform worker" and to create a statutory mechanism, funded in part by a cess on aggregators, for extending social security benefits to this category of workers, who fall outside the traditional employer-employee relationship upon which earlier labour statutes were premised. This reform responds to a genuine regulatory gap: the exponential growth of platform-mediated work in India over the preceding decade had, until the Code's enactment, occurred entirely outside the ambit of statutory social security. At the same time, scholars have cautioned that the Code stops short of resolving the underlying classificatory question of whether gig and platform workers are properly characterised as employees, independent contractors, or a distinct third category, a determination with significant consequences for the scope of protection ultimately available to them.

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[32] See Ministry of Labour and Employment, Statement of Objects and Reasons, Industrial Relations Code Bill, 2020, referencing the objective of "pro-employment" reform; "A Complete Guide to Four Labour Codes" (SCC Times, 2025) describing the IR Code as "pro-labour, pro-employment, and pro-growth, fostering industrial harmony."

E. Ease of Doing Business and the Position of Micro, Small and Medium Enterprises

A recurring theme in the Government's justification for the Codes is the reduction of compliance burden on Micro, Small and Medium Enterprises ("MSMEs"), which constitute the overwhelming majority of registered establishments in India and which, under the pre-codification regime, were frequently required to maintain separate registers, licences and returns under a dozen or more overlapping statutes, each administered by a different inspecting authority. The Codes seek to address this through single registration, licensing and return-filing mechanisms applicable across establishments, and through a shift toward risk-based inspection rather than the routine inspection model that characterised enforcement under several of the predecessor statutes. Whether this administrative simplification translates into genuinely reduced compliance cost for the smallest establishments, or whether it principally benefits larger organised-sector employers with the institutional capacity to navigate even a simplified regime, is a question on which the available evidence, at the time of writing, remains preliminary. What is reasonably clear is that the compliance-simplification objective and the worker-protection objective are not always aligned: a reduction in the frequency or intrusiveness of inspection, however administratively convenient, correspondingly reduces the practical likelihood that violations of statutory minimum standards — whether relating to wages, safety, or working hours — will be detected and remedied in the ordinary course, placing a correspondingly greater premium on the availability of an effective grievance and adjudication mechanism for the individual worker.

F. Gender and Inclusion Dimensions

The Codes contain several provisions of particular significance to women workers. The Code on Social Security retains the twenty-six-week maternity leave entitlement introduced in 2017 and extends crèche-facility obligations to a wider category of establishments than before. The Occupational Safety, Health and Working Conditions Code, for the first time in Indian statutory history, permits women to be employed in all types of establishments for all types of work, including hazardous processes and night shifts, subject to the consent of the worker and the provision of adequate safety measures by the employer.[33] This provision has been welcomed by some commentators as advancing substantive gender equality in access to employment opportunity, while others have cautioned that its practical benefit to women workers will depend entirely on the rigour with which the associated safety and consent safeguards are enforced, particularly in smaller establishments where compliance monitoring has historically been weakest. The Code on Wages' retention of the equal remuneration principle, discussed in Part III.A above, provides a further, if not novel, statutory anchor for gender parity in pay, though its practical efficacy continues to depend on the availability of accessible enforcement machinery for individual women workers, particularly in the unorganised sector where informal wage-setting practices remain pervasive notwithstanding the formal statutory guarantee.

VII. A COMPARATIVE AND INTERNATIONAL PERSPECTIVE

India's obligations as a founding member of the International Labour Organization ("ILO") provide an important external benchmark against which the Codes may be assessed. India has ratified core ILO Conventions including Convention No. 100 (Equal Remuneration, 1951) and Convention No. 111 (Discrimination in Employment and Occupation, 1958), both of which are substantially reflected in the equal remuneration provisions retained in the Code on Wages, 2019. India has not, however, ratified ILO Convention No. 87 (Freedom of Association and Protection of the Right to Organise, 1948) or Convention No. 98 (Right to Organise and Collective Bargaining, 1949), a fact frequently invoked by trade unions in their critique of the Industrial Relations Code's recognition and strike-notice provisions, on the ground that domestic law in this area has never been calibrated to the ILO's own normative baseline for freedom of association.[34]

Comparatively, the codification model itself — the consolidation of numerous discrete statutes into a smaller number of thematically organised codes — mirrors reform trajectories seen in

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[33]Occupational Safety, Health and Working Conditions Code, 2020, s. 43, read with the proviso requiring the employer to obtain the woman worker's consent and to provide requisite safety, transport and welfare facilities before deploying her on night-shift or hazardous work.

[34]The non-ratification of ILO Conventions No. 87 and No. 98 by India is a matter of public record maintained by the ILO's NORMLEX database and is frequently cited in Indian labour law scholarship discussing the gap between domestic industrial relations law and international labour standards.

other jurisdictions, including France's Code du travail and the labour codes historically maintained in a number of Latin American and post-socialist economies. What distinguishes the Indian exercise is less the codification technique itself than the substantive recalibration of worker protection thresholds that has accompanied it, a feature not inherent to codification as such but reflecting a distinct policy choice favouring labour market flexibility.

VIII. CRITICISM AND CONCERNS

The Labour Codes have attracted sustained criticism from central trade union organisations, sections of the academic community, and opposition political formations since their initial passage in 2019-2020, criticism that has continued into the implementation phase following the November 2025 notification. Four principal strands of criticism may be identified.

First, and most prominently, trade unions contend that the Codes collectively weaken the institutional strength of organised labour by raising recognition thresholds, extending strike notice requirements to all establishments rather than only public utility services, and by facilitating a shift toward fixed-term and contractual engagement that structurally reduces the proportion of the workforce with a stable, long-term interest in union membership.[35]

Second, critics point to persisting definitional overlap and interpretive uncertainty notwithstanding the codification exercise. Multiple and, in places, still not fully harmonised definitions of "wages" and "worker" across the four Codes continue to generate compliance ambiguity, undermining one of the central objectives that codification was intended to achieve.[36]

Third, concerns have been raised regarding the adequacy of social security coverage actually delivered to informal and unorganised-sector workers notwithstanding the Code on Social Security's expanded formal scope, given the absence, at the time of writing, of fully notified rules specifying contribution rates, registration mechanisms, and the institutional capacity of

[35]"Four Labour Codes in India" (Study IQ, 2026), summarising criticism directed at "reduced trade union strength" as a consequence of the reforms.
[36]"Four Labour Codes in India" (Study IQ, 2026), identifying "multiple and overlapping definitions of wages and workers" as a continuing weakness even after codification.

State Governments to administer benefits to a workforce that is, by definition, dispersed and difficult to formally enumerate.[37]

Fourth, the staggered and federally uneven implementation of the Codes — with some States having fully notified their rules and others having published only draft rules or none at all as of mid-2026 — has itself become a source of criticism, since it produces a patchwork regime in which the practical content of worker protection varies materially depending on the State in which an establishment operates, undermining the very uniformity that codification was designed to secure.[38]

It should be recorded, in fairness, that not all assessments of the Codes are critical. Industry associations and a number of labour economists have welcomed the reforms as a long-overdue rationalisation that reduces the regulatory burden of compliance with dozens of overlapping statutes and, in their assessment, is likely over time to encourage formalisation of employment relationships that had previously operated in a regulatory grey zone precisely in order to avoid the complexity of the prior regime. The empirical resolution of this disagreement — whether the Codes will, on balance, expand or contract the effective protection enjoyed by Indian workers — is likely to depend substantially on the content of the delegated rules still being finalised by the Central and State Governments, and on the manner in which constitutional courts eventually interpret the Codes' more contested provisions.

It is worth noting, further, that the comparative advantage claimed for codified labour regimes — namely, greater predictability for both investors and workers — is itself contingent on the stability of the codified text over time. A regime that is codified but subject to frequent amendment offers little of the predictability that codification is meant to secure. The experience of other jurisdictions that have undertaken similar consolidation exercises suggests that the credibility of a labour code, and the confidence that both employers and workers repose in it, tends to be established only over a period of sustained, litigated interpretation, during which

[37] Ibid., identifying "limited social security coverage, especially in the informal sector" and "funding challenges" as continuing concerns notwithstanding the Code's expanded formal scope.

[38] India Labour Codes 2026 Guide (DCP Sol), reporting that as of July 2026 some States had fully notified their rules while others had published only draft rules or remained pending, and noting the ongoing, staggered character of the process across more than thirty States and Union Territories.

ambiguities are progressively resolved by constitutional courts and labour tribunals applying the code to concrete disputes. India's four Labour Codes, having come into effective operation only in November 2025, remain, in this comparative sense, at the very beginning of that interpretive process.

IX. IMPLEMENTATION STATUS SINCE NOVEMBER 2025

All four Labour Codes were brought into force with effect from 21 November 2025 by notification of the Ministry of Labour and Employment, Government of India, rationalising the twenty-nine labour statutes referred to at the outset of this paper.[39] The Government's own communication described the step as intended to "modernise labour regulations, enhance workers' welfare and align the labour ecosystem with the evolving world of work", laying, in its words, "the foundation for a future-ready workforce".[40]

As of the most recent reporting available at the time of writing, however, implementation remains incomplete in material respects: the DLA Piper GENIE commentary on the notification observes that "certain provisions of some of the Labour Codes are yet to be brought into effect", and that Central and State-specific rules were, at the time of the November notification, expected to follow within a further forty-five days.[41] Subsequent tracking of State-level rule notification confirms a continued, uneven rollout, with the DCP Sol tracker recording, as of July 2026, that some States had achieved full notification of their rules while a substantial number remained at the draft stage or had yet to notify rules at all.[42]

This gap between formal notification and operative implementation is of more than administrative interest: because several of the Codes' most consequential provisions — including the precise contribution structure for gig and platform worker social security, and State-specific thresholds for establishment coverage — are to be prescribed by delegated rules rather than by the Codes themselves, the substantive content of Indian labour law as it will actually be

[39] PIB, "Government Makes the Four Labour Codes Effective to Simplify and Streamline Labour Laws" (21 November 2025).

[40] Human Resources Online, "Indian Government Implements Four Labour Codes" (24 November 2025).

[41] DLA Piper GENIE, "New Labour Codes Usher in a New Era of Compliance" (2025).

[42] India Labour Codes 2026 Guide (DCP Sol), Status as of 9 July 2026.

experienced by workers and employers cannot yet be said to be settled, notwithstanding the formal coming-into-force of the primary legislation.

X. RECOMMENDATIONS

On the basis of the foregoing analysis, this paper offers the following recommendations for a rights-consistent implementation of the Labour Codes.

First, the Central and State Governments should prioritise harmonised and expeditious rule-making, given that the substantive protective content of the Codes is, to a significant degree, dependent on delegated legislation that remains incomplete more than half a decade after the primary Codes were enacted.

Second, in framing rules concerning fixed-term employment, the appropriate Governments should give serious consideration to statutory limits on the permissible number or cumulative duration of successive fixed-term contracts with the same employer, a safeguard adopted in a number of comparator jurisdictions precisely to prevent the practice of fixed-term status becoming a permanent substitute for regular employment.

Third, given the continuing gap between the Codes' formal universal coverage and the practical capacity of State machinery to register and deliver benefits to dispersed unorganised, gig and platform workers, priority should be accorded to building registration and portability infrastructure — building, in effect, on the existing e-Shram portal architecture — before the substantive entitlements promised by the Code on Social Security can be regarded as more than aspirational for this category of workers.

Fourth, constitutional courts, when called upon to test specific provisions of the Codes, would do well to apply the standard of substantive equality and proportionality identified by recent scholarship, examining not merely the formal neutrality of a given threshold or classification but its practical effect on the constitutionally protected interests of workers, consistently with the interpretive approach the Supreme Court itself adopted in construing the term "industry" in

Bangalore Water Supply — namely, a purposive construction attentive to the underlying welfare objective of the statute rather than a narrow, literal one.

XI. CONCLUSION

The four Labour Codes represent a codification exercise of considerable ambition, consolidating twenty-nine central statutes — several dating to the colonial period — into a structurally coherent framework organised around wages, industrial relations, social security, and occupational safety. Judged purely as an exercise in legislative rationalisation, the Codes achieve genuine gains: a uniform definition of wages, universal minimum wage coverage, and, for the first time, a statutory architecture for the social security of gig, platform and unorganised-sector workers who had previously stood entirely outside the protective reach of Indian labour law.

At the same time, the Codes cannot be assessed on grounds of formal simplification alone. The raised thresholds for retrenchment protection, the formalisation of fixed-term employment without corresponding limits on its renewal, and the heightened procedural conditions attached to trade union recognition and strike action collectively recalibrate the balance between labour market flexibility and worker protection that has underpinned Indian labour law since Independence. Whether this recalibration is consistent with the welfare mandate embedded in Articles 38 to 43A of the Constitution, and with the purposive jurisprudence exemplified by decisions such as *Bangalore Water Supply* and *Steel Authority of India*, remains, in substantial part, a question that only sustained judicial scrutiny and empirical assessment of the Codes' operation in practice will be able to answer. As one recent study aptly frames the stakes involved, the success of the reform "depends on balanced implementation, cooperative federalism and pro[tection]" of the very workers the Codes profess to serve.[43] Five years after their original enactment, and roughly one year into their formal operation, the Labour Codes stand less as a finished settlement than as a framework whose ultimate character — protective or permissive — will be determined in the years ahead, through the delegated rules still being written, and through the judicial doctrine still to be developed.

[43] Study IQ, "Four Labour Codes in India: Wages, Industrial Relations, Social Security and OSH Explained" (17 February 2026).

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