



"OLD LABOUR LAWS VS. NEW LABOUR CODES: A COMPARATIVE STUDY OF STRUCTURAL AND FUNCTIONAL CHANGES IN INDIA"

Padmanagendra R

Tax Accountant / Manager (Australia Firm), M. Com | ACMA | LLB | UGC NET/JRF | KSET.

Javeed Pasha

Assistant Professor, S.E.A College of Science, Commerce and Arts, M. Com (F&A) | LLB |.

ABSTRACT

In November 2025, India implemented four consolidated Labour Codes — the Code on Wages (2019), Industrial Relations Code (2020), Code on Social Security (2020), and the Occupational Safety, Health, and Working Conditions (OSHC) Code (2020). These codes streamline and replace 29 central labour laws that had become fragmented, outdated, and difficult to enforce. Labour law in India has undergone a profound transformation, evolving from a fragmented regulatory framework to a unified, modernized structure aimed at balancing economic development with social justice. Historically, India's labour legislation emerged during the colonial period, shaped by industrial unrest, humanitarian concerns, and international labour standards. Over time, the country developed **29 separate central labour laws** addressing wages, industrial relations, social security, and workplace safety. While these laws played a key role in protecting workers' rights, they gradually became complex, overlapping, and inconsistent, posing significant challenges for both employers and workers in an increasingly globalized economy. Recognizing the need for simplification, clarity, and adaptability to contemporary labour market dynamics, the Government of India introduced a major reform initiative that consolidated the existing laws into **four comprehensive Labour Codes**:

- The Code on Wages (2019),
 - The Industrial Relations Code (2020),
 - The Occupational Safety, Health, and Working Conditions Code (2020),
- and the Social Security Code (2020).

KEYWORDS :

These laws represent one of the most significant overhauls of labour regulation in independent India. The new framework seeks to streamline compliance, promote ease of doing business, ensure worker welfare, broaden the social security net, and acknowledge emerging forms of employment such as gig and platform work. Although the new labour codes promise greater coherence and administrative efficiency, their implementation remains a subject of scholarly debate. Questions surrounding state capacity, employer readiness, worker awareness, and the balance between flexibility and job security continue to inform critical discourse. This journal article examines the legislative evolution, key features, and socio-economic implications of India's new labour law architecture, situating it within broader trends in labour market reform and global regulatory practices.

Main Features Of Labour Law In India

Labour law in India regulates the relationship between employers, employees, and the state to ensure fair work conditions, social security, and industrial harmony. Its key features include:

1. Protection of Workers' Rights

Ensures fair wages, regulated work hours, safe workplaces, protection from unfair dismissal, and paid leave—strengthening worker dignity and preventing exploitation.

2. Regulation of Employment Conditions

Defines rules for hiring, appointment letters, probation, termination, discipline, and record-keeping, promoting transparency in employment practices.

3. Social Security Measures

Provides EPF, ESI, gratuity, maternity benefits, accident compensation, and welfare schemes for unorganized workers, offering financial security during illness, disability, unemployment, or old age.

4. Promotion of Industrial Peace

Supports collective bargaining, trade union recognition, regulation of strikes/lockouts, and dispute-resolution bodies

to reduce conflicts and maintain industrial stability.

5. Protection For Vulnerable Groups

Offers special safeguards for women, children, adolescents, contract labour, migrant workers, and gig/platform workers to ensure equality and welfare.

6. Workplace Safety and Health Standards

Mandates safety equipment, hygiene, health check-ups, accident reporting, and safety training to reduce workplace risks and promote occupational health.

7. Government as Regulator and Facilitator

The state enforces compliance, resolves disputes, promotes welfare schemes, and uses digital tools for inspections and easier compliance.

8. Simplification Under New Labour Codes

Introduces uniform definitions, single licensing, digital compliance, wider worker coverage, universal minimum wages, and increased employer flexibility—modernizing the labour framework.

Old Labour Laws vs New Labour Codes (India)

India has replaced 29 labour laws with 4 Labour Codes to simplify compliance, modernize labour markets, and expand worker protection.

1. Structural Comparison

- Old System: 29 fragmented laws, inconsistent definitions, heavy compliance.
- New Codes: 4 consolidated codes with uniform definitions, single registration/licensing, wider coverage, and digital processes.

2. Key Code-wise Changes

A. Code on Wages (2019)

- Merges 4 wage laws.
- Introduces one wage definition, universal minimum wages, mandatory timely payment, gender-neutral pay, and potentially wider bonus eligibility.

B. Industrial Relations Code (2020)

- Combines 3 IR laws.
- Standing Orders & layoff permissions threshold raised to 300 workers, formal "Negotiating Union/Council," 14-day strike notice for all, and simpler dispute resolution.

C. OSH Code (2020)

- Consolidates 13 safety/working condition laws.
- Uniform worker definition, mandatory health checks (for specific workers), easier portability for migrant workers, uniform working hours, and digital records.

D. Social Security Code (2020)

- Integrates 9 social security laws.
- First-time coverage for gig/platform workers, universal social security framework, gratuity for fixed-term employees, broader ESI/EPF reach, and digital compliance.

3. Impact

For Workers

Pros: Universal minimum wages, stronger social security, simplified grievance mechanisms, inclusion of gig/platform workers.

Cons: Higher layoff thresholds may reduce job security; state-level implementation varies.

For Employers

Pros: Lower compliance burden, more flexibility in hiring/restructuring, clearer definitions.

Cons: Rise in wage and social security costs.

4. Overall Summary

Old Labour Laws	New Labour Codes
Fragmented, outdated	Consolidated, modern
Heavy compliance	Simplified, digital
Limited coverage	Wider, including gig workers
Restricted flexibility	Greater flexibility

CONCLUSION

The transition from India's old labour laws to the new Labour Codes marks a major step toward modernizing the country's employment framework. While the older laws were numerous, fragmented, and often difficult to interpret, the new Labour Codes consolidate and simplify the legal structure, aiming to improve compliance, transparency, and ease of doing business. At the same time, they seek to enhance social security, formalize employment, and protect workers' rights in a rapidly changing economic environment.

Overall, the new labour law regime attempts to strike a balance between the needs of employers for flexibility and efficiency and the rights of workers to fair wages, safety, and welfare. Although challenges remain—such as implementation, awareness, and ensuring equitable enforcement—the new Labour Codes represent a progressive shift toward a more unified, efficient, and contemporary labour governance system in India.