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REFORMING INDIA'S LABOUR LAW FRAMEWORK: A CRITICAL ANALYSIS OF THE FOUR LABOUR CODES

KEY WORDS: Labour Codes; Indian Labour Law; Social Security; Industrial Relations; Occupational Safety; Minimum Wages; Labour Law Reform

**Dr. Samir A.
Runja**

LL.M., GSET, Ph.D., Assistant Professor, @ Sheth D. L. Law College, College Road, Bhuj – Kachchh. 370001.

ABSTRACT

India's labour law regime has undergone a fundamental transformation with the enactment of four consolidated Labour Codes—namely, 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. These Codes replace twenty-nine pre-existing central labour statutes with the objective of simplifying compliance, promoting ease of doing business, extending social security coverage, and modernising industrial relations. This article critically analyses the structure, objectives, and substantive provisions of the new Labour Codes, examines their departure from the earlier fragmented framework, and evaluates their potential impact on workers' rights, employer obligations, and industrial democracy in India.

1. INTRODUCTION

Labour law in India has historically evolved as a protective mechanism aimed at regulating employer–employee relations, ensuring fair wages, safe working conditions, and social security for workers. However, the multiplicity of statutes, overlapping definitions, and sector-specific thresholds resulted in regulatory complexity and uneven enforcement. Recognising these deficiencies, the Government of India initiated a comprehensive legislative reform process culminating in the enactment of four Labour Codes between 2019 and 2020. These Codes represent the most significant restructuring of labour legislation since Independence and seek to balance worker welfare with economic efficiency.

Beyond legislative consolidation, the enactment of the Labour Codes must be viewed within the broader constitutional and economic context of India's commitment to social justice under Articles 14, 19, 21, 23, and 43 of the Constitution of India. Labour regulation in India has never been purely contractual; it reflects a constitutional mandate to protect workers from exploitation while enabling economic growth. The Labour Codes therefore raise important questions regarding the recalibration of state responsibility in employment relations, particularly in an era of liberalisation, technological advancement, and informalisation of work. A legal analysis of these reforms is essential not only to understand their statutory content but also to assess whether they adequately reconcile economic efficiency with the constitutional vision of dignity of labour.

2. Pre-reform Labour Law Regime In India

Prior to the Labour Codes, India's labour law framework consisted of numerous central statutes such as the *Factories Act, 1948*, the *Minimum Wages Act, 1948*, the *Industrial Disputes Act, 1947*, and the *Employees' Provident Funds and Miscellaneous Provisions Act, 1952*. While these laws served important protective functions, their fragmented nature created compliance burdens and excluded a large segment of informal and unorganised workers from statutory protection. Scholars and policy reports consistently highlighted the need for rationalisation and consolidation of labour laws.¹

3. Overview of the Four Labour Codes

3.1 Code on Wages, 2019

The *Code on Wages, 2019* consolidates four wage-related statutes and introduces a uniform definition of “wages” applicable across all sectors. It mandates the payment of minimum wages to all employees, irrespective of industry, and empowers the Central Government to fix a national floor wage.² The Code also reinforces the principle of equal remuneration and prescribes penalties for delayed wage payments.

3.2 Industrial Relations Code, 2020

The *Industrial Relations Code, 2020* subsumes laws governing trade unions, industrial disputes, and standing orders. It introduces provisions for the recognition of negotiating unions and councils, streamlines dispute resolution mechanisms, and revises thresholds for layoffs, retrenchment, and closure.³ While intended to promote industrial harmony, critics argue that certain provisions may dilute collective bargaining power.

3.3 Code on Social Security, 2020

The *Code on Social Security, 2020* is notable for extending social security coverage to gig workers, platform workers, and unorganised sector employees. It consolidates nine social security statutes and provides for the establishment of social security funds, universal registration, and benefit portability.⁴ This represents a paradigm shift in Indian labour law, acknowledging new forms of employment arising from the digital economy.

3.4 Occupational Safety, Health and Working Conditions Code, 2020

The *Occupational Safety, Health and Working Conditions Code, 2020* replaces thirteen laws relating to workplace safety and welfare, including the *Factories Act, 1948*. It introduces uniform safety standards, regulates working hours, and enhances protections for women workers.⁵ The Code also mandates the use of technology for inspections and compliance reporting.

4. Legal and Policy Implications

The consolidation of labour laws into four Codes aims to reduce regulatory complexity and improve enforcement. Uniform definitions and digital compliance mechanisms are expected to enhance transparency and accountability. At the same time, concerns persist regarding the adequacy of safeguards for workers, particularly in relation to retrenchment thresholds and the discretionary powers vested in the executive.⁶ The success of the Codes ultimately depends on effective implementation by both the Centre and the States.

5. Critical Evaluation

From a legal perspective, the Labour Codes reflect a shift from a predominantly welfare-oriented approach towards a model emphasising flexibility and formalisation. While the expansion of social security coverage is commendable, trade unions and labour scholars caution that dilution of procedural protections may adversely affect job security.⁷ A balanced interpretation and progressive rule-making are therefore essential to ensure that economic objectives do not overshadow constitutional commitments to social justice.

6. CONCLUSION

The new Labour Codes mark a transformative phase in the

evolution of Indian labour law. By consolidating and modernising existing statutes, they seek to create a coherent legal framework suited to contemporary economic realities. However, the real test lies in implementation, judicial interpretation, and the ability of the legal system to harmonise employer flexibility with worker protection. Continued legislative oversight and empirical evaluation will be crucial in determining whether the Codes achieve their stated objectives.

In the long term, the effectiveness of the Labour Codes will depend significantly on subordinate legislation, administrative capacity, and judicial interpretation. Courts will play a critical role in shaping the contours of workers' rights under the new framework, particularly in interpreting definitions, thresholds, and the scope of executive discretion. Moreover, sustained social dialogue among governments, employers, and trade unions will be indispensable to ensure that the Codes evolve in a manner consistent with international labour standards and constitutional principles. If implemented with sensitivity and accountability, the Labour Codes have the potential to serve as instruments of inclusive growth; however, without robust safeguards, they risk reinforcing existing inequalities in India's labour market.

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