

Labour Law Reforms in India: A study of India's New Labour Codes

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Abstract

Through a doctrinal and regulatory examination of India's new labour codes, this paper critically assesses how they have restructured the governance of labour in India. Furthermore, it evaluates whether these codes have resulted in substantive regulatory reform because of consolidating multiple labour Acts into four consolidated codes, or if they merely assist in simplifying compliance and creating flexibility within the labour market.

The evaluation of the new codes considers several aspects that comprise a 'regulatory milieu'. These areas include the development of a single definition of wages, the development of fixed-term employment regulations, changes to the thresholds in respect to industrial relations, the introduction of digital compliance systems, and the restructuring of inspection/adjudication processes.

Methodologically, the research uses statutory interpretation, policy analysis, and secondary source research (scholarly literature) to evaluate the normative and institutional implications arising from these labour reforms. In addition, this study contextualizes the new codes within the broader discussion of the rationalisation of the labour market and considers how the balance between employer prerogatives and worker protection has been recalibrated by these reforms.

Finally, this paper briefly makes comparative reference to the Danish labour governance model with a view to illustrating the substantive differences in the collective bargaining autonomy and integration of social security rights between Canada and Denmark.

According to research, legislative consolidation does not equalize labour results. The long-term or ongoing effects of the reforms will be determined by the capacity of enforcement, institution transparency, and participation in labour administration. The paper concludes that to create a sustainable modernized Indian labour market, there is a need for greater regulatory enforcement, broader social security coverage, and more structured tripartite participation to balance between economic competitiveness and substantive worker rights (Wage Study 2010).

Introduction

In New Delhi, things gradually changed on November 22. India stopped employing mountains of antiquated labour laws on November 21, 2025, and instead started using just four new ones. The 2019 Wage Code comes first, followed by the 2020 statute that deals with employee-company relationships. The 2020 plan for pensions, benefits, and workplace safety nets is also included, as is a distinct set of rules pertaining to safe employment and equitable working conditions since 2020. When taken as a whole, they replace around thirty previous federal statutes that were accumulated over the course of seven decades. (Reuters, 2025).

What made these labour codes necessary?

India's outdated labour laws? Far too disorganized and outdated. As a result, businesses found it difficult to stay competitive and ultimately hired fewer people. Many individuals, including shop employees, freelancers, migrants, and gig workers, were deprived of basic assistance. Rules differed depending on where you were because each state started doing its own thing. These new labour codes now aim to tidy up the entire problem (Mint, 2025).

The introduction of these four labour codes marks the conclusion of years of legislative work and the beginning of a new management strategy, but it is only the beginning.

This replaces antiquated colonial-era regulations with a single, unambiguous framework appropriate for the connected, technologically advanced world of today. It replaces patchwork policies with new ones that are intended to represent how people operate today. With machines doing more jobs every day, it tackles the fundamental concern: plenty of work waiting, yet too few roles for humans to accomplish it (Mint, 2025).

According to the Labour Department's most current update, these are the changes to India's modified work regulations (The Indian Express, 2025; Hindustan Times, 2025).

1. Each employee - no matter their field, ability, or role - gets guaranteed pay by law today. Everyone must receive hiring documents from their bosses, which forces many people—including independent contractors and temporary workers—into formal job monitoring (The Indian Express, 2025).

2. Social protection was once less common. PF benefits, health insurance, and ESIC assistance are now available to workers in every industry. Employers will set up a special pool for casual and app-based workers, deducting 1% to 2% from their compensation. Access is available nationwide with a wallet linked to Aadhaar (Hindustan Times, 2025).

3. More women may start working now. Because of the regulations, gender-based wage disparities are no longer permitted, and night shifts are better protected. In addition to access to childcare assistance and health benefits, maternity leave lasts up to 26 weeks. Mothers-in-law may be covered by family insurance. Additionally, there must be a minimum of one female member on each complaint panel (Hindustan Times, 2025).

4. Health examinations are now necessary due to stricter safety regulations. You are eligible for a free annual medical visit if you are over 40. Businesses that handle hazardous materials must have safety teams, provide protective gear, and adhere to national laws. Additionally, accidents that occur while traveling to or from work are considered work-related injuries (The Hindu, 2025).

5. Bonuses are given to people on permanent or temporary contracts after just 12 months; formerly, it took five. Pay ought to be comparable to that of full-time employees. Big businesses must provide hired-on employees with both healthcare and employment safety nets (The Indian Express, 2025).

6. Clearer shift schedules and more equitable pay regulations have been implemented. Without exception, employees receive double their regular pay for overtime. You are eligible for paid breaks after six months of employment. Salary payments cannot be postponed by employers for any reason. The creation of hand-rolled cigarettes, stone extraction, fabric units, and tiny factories are examples of industries that adhere to a predetermined schedule of eight to twelve hours per day, with a maximum of forty-eight hours per week (Hindustan Times, 2025).

7. Bosses now find it easy to fulfil their obligations. Companies just deal with a single sign-up, a single permit, and once-a-year paperwork instead of filling out numerous forms due to different regulations. Instead of showing up without warning or imposing penalties, workers who check on jobsites will start guiding owners by outlining dos and don'ts (The Hindu, 2025).

A section of the Codes that permits employers to terminate up to 300 employees—rather than just 100—without obtaining state approval is causing concern.

This suggests that companies with fewer than 300 employees can reduce staff without previously obtaining approval. (Reuters, 2025).

While a national OSH board establishes uniform safety regulations, the "inspector-cum-facilitator" concept replaces stringent inspections with beneficial advice.

Some powerful labour organizations pushed harder, calling for the complete repeal of all codes.

It has been suggested that laws will hinder Union Bargaining, and cause workers to be more likely to enter short-term contracts. In addition to this, by requiring 50% or more of Union Members to be part of one Union may lead to the weakening of Unions, and their potential to be dissolved easily (The Economic Times, 2025).

As per the Codes, Migrants from 120 million have the option of transferring their Employees' Provident Fund and Employees' State Insurance Corporation Benefits from State-to-State in India. (The Hindu, 2025).

Pertaining to dispute resolutions for workplace issues, these Codes will create faster ways to resolve disputes through teams of 2 individuals. There is one centralised location from which you will register and obtain permits, and new limitations to lose your job, fewer requirements for an employer to close their business and employers may hire employees temporarily without following the requirements established by the Codes (Reuters, 2025).

As a result of the Codes, Gig Workers, Freelancers, and Contractors will have additional levels of protection, including a minimum wage guarantee, a written contract outlining job duties, improved working conditions, Health Insurance Benefits, Maternity Leave, and Retirement Saving Plans, etc.

To help fill worker's job opportunities through a system of e-Shram IDs (registration) with job portals, and a worker benefit agreement (i.e. one-stop shop), and help in verifying employment records and to obtain assistance in securing jobs through one simple step.

According to Devendra Kumar Pant, chief economist for India Ratings and Research, this change may negatively affect small, unregistered businesses initially; however, in terms of future growth through improved wages and better support structures, it may improve the working environment for all types of people when family cost increases are no longer an issue.

However, creating employment opportunities cannot be done through legislation alone. A strong working environment and having employees who are qualified to meet the current job market needs will be very significant. In addition to developing policies that fix employment-related issues across India, investing in educational, transportation, and tools for employees must be given equal consideration. Additional to these upgrades, education, support for businesses, and a modern work environment will ultimately provide the same level of opportunity to all. (Hindustan Times, 2025).

Literature Review

Labour codes were developed in India to address the practical limitations of India's old labour laws, many of which were derived from British colonial law. Primary laws regulating industrial enterprise and controlling labour conflict were enacted by the British colonial government through the 1881 Factories Act, the 1929 Trade Disputes Act and 1936 Payment of Wages Act. Following independence, these laws continued to exist with minor changes, and the original complexity and fragmentation of the labour laws persisted. As a result, the labour law framework in India over time became increasingly misaligned with the realities of the labour market. Most workers in the current labour market have an informal, contract, migrant, or platform-based employment status. Furthermore, the enforcement methods of these laws as well as their disconnection from modern practices limit their ability to respond to the day-to-day needs of the worker. To better align labour law with constitutional values and current economic realities, the government of India introduced the labour codes in 2019 and 2020.

Many of the assumptions that presently guide our thinking about the Indian labour force were formed over twenty years ago and are no longer applicable or appropriate. The key distinction between the Indian labour market and the labour markets of most developed nations is less about the actual characteristics of each system than it is about the relative scale of differences. It is widely accepted that the Indian labour market is highly erroneous in the same

way as virtually every other labour market on this planet. This erroneous state of the labour market results from the distinctive nature of the labour force, and it is anticipated that that this will be the case to an even greater extent in a large, developing country with strong socio-cultural disparities across geographical areas. Conversely, the pre-existing trend toward regional wage-level convergence and a growing body of data indicating the steady breakdown of barriers to intra-national labour mobility imply that there is an evolution occurring towards the establishment of a complete and consistent national labour market. The belief that the Industrial Worker is Migratory and therefore Generally Unstable and Lacks Commitment is not supported by Evidence. The extent of instability among industrial workers is Overstated and Industrial Workers' Instability is also due, in Part, to the Employers' Policies Employed by Employers to Facilitate Constant Movement of the Workforce as a means of Reducing Wage Expenditures. Recent Studies Have Demonstrated That Industrial Workers Are Commencing to Commit to an Industrial Way of Life, The Number of Workers Who Have Interest in Returning to Agricultural Settings Continues to Diminish, An Increasing Proportion of Workers Are Now Living with Their Wives and Families Even with Very Poor Housing Conditions in Industrial Settings. Papola, T. S. (1968).

Labour laws regulate the segmentation of the workforce into many categories, each offering different levels of protection; these laws also create a distinction between employers who are subject to these laws and employers who are not. The way the workers and the thresholds for being classified as an employee, and therefore being eligible for the protections of labour law, differs across jurisdictions as well as among various provisions of the same jurisdiction. The result is that workers are often multi-layer segmented. No one set of labour laws can be uniformly applied to all employees, nor can even the hired wage earners be applied to all. A single piece of legislation may be applicable to all employees in theory but is not applicable to all employees in practice. This will be demonstrated through the analysis of a few of the highlights finalised below. Papola, T. S. (2013).

As with most labour regulation measures around the world, the primary aim of all, now, and historically, in India, is to protect the rights of workers against being taken advantage of by their employers during periods of unfavourable market conditions. This is because it has long been accepted that there is a power imbalance between capital and labour, with the former being stronger than the latter. However, the majority of current labour legislation only applies to a small segment of workers (i.e. those who have better bargaining power, and therefore better contracts), while the most vulnerable workers (i.e. those who are exploited to the greatest degree) are usually not covered. There are various arguments as to why labour laws have regressed over time; however, the main reasons appear to be two-fold: firstly, the difficulty of enforcing these laws; and secondly, the inability of small enterprises to comply with these laws. The enterprise structure in India consists of millions of small, tiny and informal businesses, which are in all corners of India; therefore, many people believe that it would be prohibitively expensive for these businesses to comply with the requirements of labour laws. Papola, T. S. (2013).

Now, labour market reform in India is highly debated amongst politicians and the public alike. Opponents of restrictive labour laws argue that if Indian labour laws did not create so much inflexibility in the labour market, then India might have seen a much higher level of employment growth than has been achieved thus far. Many trade unions, however, do not agree and support this view; they believe that the Indian labour market is relatively flexible although India has restrictive labour laws in place. While it is true that India does have several labour laws, and many of these are complicated (with a few being ambiguous), it has been found that labour law in India tends to result in more litigation than it does in effective resolution of industrial relations problems. A complete understanding of labour market reform is needed that encompasses both employer and worker views on how best to implement changes. To achieve this, one suggested method of simplifying and clarifying current labour law in India is to consolidate all the existing laws into a single, clear code of union and employee rights and obligations that provide adequate social safety nets for employees while allowing for employer flexibility. Sharma, A. N. (2006).

The structure of Indian labour law based on an analysis of how it could contribute to the development of social & economic justice found in the Constitution of India. It also will assess the operation of the Indian labour law system according to its stated objectives relative to contemporary demands related to a globalising environment. The chapter will examine the following areas: The Constitution of India relating to labour, the Law of Working Conditions, The Law Of Labour Relations, The Law Of Wages & Other Remuneration Benefits, & The Law Of

Social Security, & a review of the manner in which all these laws operate within the Indian Labour Law system; in India, there are many different types of organisations employing people; Examples include factories, shops, establishments, plantations, & mines; and lastly, under the Factories Act, 1948, most workers in the organised manufacturing sector in India will be governed by this law. Saini, D. S. (2008)

The labour laws form the framework of employment regulation and as such play a vital role in the establishment of working conditions, in addition to setting parameters for the conduct of industrial relations in India as well as socio-economic development. Labour laws in India historically developed in response to the legacy of colonial rule, the growth of industrialisation following independence, and constitutional obligations with respect to delivering social justice. The evolution of these labour laws has become increasingly fragmented over time, creating a framework of over 40 central labour laws that vary significantly at the state level. This labyrinth-like framework creates problems for enforcement, particularly in the unorganised sectors, because of overlapping and inconsistent legal interpretations.

Scholars have critically reviewed the limitations of the pre-reform labour law framework. Debroy, Santhakumar, and Sinha (2019) found that an increase in the number of labour laws resulted in increased compliance costs to employers while at the same time there was inadequate protection for workers by reason of ineffective implementation. In addition, Papola and Pais (2017) observed the challenges arising from the rigid nature of labour regulations and inefficiencies in the administrative system resulting in reduced growth of formal employment and increased incidence of informal work arrangements.

In response to this, The Government Of India carried out wide-ranging Reform Of Labour Laws through the consolidation of Labour Legislation through Four Labour Codes (Code on Wages, 2019, Industrial Relations Code, 2020; Occupational and Health Working Conditions Code and Code on Social Security 1920's), which is intended to simplify the laws related to labour law; facilitate the business by removing barriers; Improve the welfare of Labour and Alignment to today's Labour Market.

As stated by Bhardwaj (2020), Code on Wages, 2019 is an important development in wage Regulations by establishing a common definition of wage across all sectors and skill levels and broadening minimum wage coverage to all categories of employees, and it also had implemented protections for low-waged as well as unorganised sectors from long-standing Inequities in Wage Determination. Further, Soundararajan (2021) has indicated that establishing a National Floor Wages improves Inequities in Wages Among Different Regions; however, unless there are sound Enforcement Mechanisms and Strong Institutional Capacity at the State Level, The Intended Benefits of the Code are likely to be merely Symbolic in Nature.

Many view the Industrial Relations Code of 2020 as one of the most significant debates surrounding Labour Reform. There is much disagreement in the literature about the potential effects of implementing the IR Code. Proponents of the IR Code believe that it has streamlined processes for Trade Union Recognition and Simplified Processes for Dispute Resolution, as well as promoted Industrial Harmony in workplaces. However, others such as Srivastava (2021) have raised concerns regarding the fact that increased thresholds for Layoffs, Retrenchment and Closure will lead to less job security for workers and potentially decrease the power of Collective Bargaining. Trade Unions and Labour Activists are concerned that the focus of the IR Code is on encouraging greater Labour Market Flexibility over protecting Workers' Rights, and that an imbalance of power is being created in favour of Employers at the Workers' expense.

The critical nature of Workplace Safety and Health from the perspective of Workers' Wellbeing cannot be overstated, especially in a developing country where Occupational Risks are high. The Occupational Safety, Health and Working Conditions Code, 2020 is intended to bring together multiple, industry-specific Laws and provide a standardised framework of Safety Norms that all industries must adhere to. According to the ILO (2021), the use of Safety Standards and increased focus on Employer Responsibility aligns with International Labour Conventions. Some critics are concerned that the reduced frequency of Inspections and the greater emphasis placed on Self-Certification of compliance to Safety Standards may jeopardise the safety of workers, particularly in Hazardous Industries like Construction, Mining and Manufacturing (Kannan, 2021).

The Code on Social Security, 2020 is regarded as an innovative way to provide social security considering how employment has changed. It has recognised the need for social security for those working in 'gig' economy, platform-based employment and working in the unorganised sector rather than taking a traditional employer-based approach to the provision of social security; Kannan & Raveendran (2022). This code also recognises the rapidly changing forms of work that we see today due to the digital economy. However, the literature also discusses many uncertainties and issues regarding the implementation and funding of the law, as well as the benefits provided to vulnerable workers through social protection measures like portability and access to benefits.

The literature has consistently pointed out that the successful implementation of the labour codes will require the involvement of various levels of government and the provision of adequate administrative support for implementation. Bhattacharjea (2020) notes that the implementation of the labour code will require the federal system to work cooperatively together, as labour is a subject of concurrent jurisdiction under the Constitution of India, requiring a consistent and coordinated approach at both the national and state levels. Ultimately, for the labour codes to be successfully implemented, workers will need to be made aware of their entitlements, enforcement will need to be transparent, and social dialogue will need to occur between employers, employees, and the government.

Research Methodology

Utilizing a doctrinal and analytical methodology, because the topic under investigation has both normative and legislative nature, the findings of the study are based on evaluating and interpreting legislative texts as opposed to conducting empirical field research. This methodology is ideal for assessing structural changes, policy intent and legal ramifications of labour law reform.

Methodological Framework

This research draws from secondary sources. Secondary resources will include the text of the four labour codes of India; namely, the Code on Wages, 2019; the Industrial Relations Code, 2020; the Occupational Safety, Health and Working Conditions Code, 2020; and the Code on Social Security, 2020. Relevant parliamentary debates, committee reports and judicial interpretations have also been utilized where applicable. Sources that will also qualify as secondary sources are; academic literature, labour law commentaries, publications produced by government entities, Ministry of Labour and Employment reports and ILO documents.

Legislative Evolution and Implementation Timeline

The evolution of India's labour laws is a lengthy and continuous endeavour which has evolved through policy development for almost twenty-years. The Second National Commission on Labour (2002) established the need to rationalise and consolidate India's labour laws due to the fragmentation and overlapping provisions in the existing laws including the inadequateness of that law to cover workers in the unorganised sectors.

In 2015-2018, the Ministry of Labour and Employment began a lengthy consultation process with stakeholders including trade unions, employer associations and state governments. The draft versions of the codes were then submitted to Parliamentary Standing Committees who recommended multiple (changes) "changes" to definition, thresholds and compliance mechanism.

The entire legislative process has evolved through four distinct phases:

1. Policy recognition and expert recommendations (2002-2014)
2. Drafting and consultations with stakeholders (2015-2018)
3. Parliamentary review and revision (2019-2020)
4. Enactment (2020-on) and implementation via the establishment of regulatory systems/rules

While the Code on Wages was enacted in 2019, the three remaining Codes were passed into law in 2020. In-part due to the need for both central and state governments to engage in rule making for the implementation of the laws, the passage of time between the enactment of the laws and the actual operationalisation of the laws is

approximately four to five years, illustrating how difficult it is to align central legislation with India's federal structure.

Revisions and Key Limitations Addressed

The labour codes have undergone several rounds of approval and revision as a result of feedback received from various stakeholder groups, including parliamentary committees. Key changes include clarifying definitions within the codes, rationalising the thresholds for applicability, and instituting compliance mechanisms based on technology.

The new codes will remedy systemic limitations identified in previous labour law regulations (pre-1985), such as:

1. Fragmentation among different statutes governing labour regulation
2. Systemically excluding unorganised workers (e.g., gig and platform jobholders) from the coverage and protections provided to organised workers
3. Misinterpretation of defined terms or ambiguity regarding what constitutes a defined term, resulting in inconsistency of interpretation across statutes
4. Inspector-driven enforcement systems characterised by excessive inspector discretion and lack of efficiency

The overarching goals of the reforms are to establish one comprehensive and consolidated legislative framework for labour regulation, create uniform definitions across all codes, and utilise digitally enabled governance systems to achieve a simplified, equitable and transparent regulatory framework for all workers (i.e., formal and informal workers).

To start, India's labour law framework is explored, with an emphasis on its four labour codes (objectives, scope and implementation challenges) and how India's evolving economy has been influenced by economic reforms and technology and today's evolving workforce expectations as they have shaped the regulation of labour in India.

To further develop the analysis, a study was conducted of the Danish labour law model identifying its core institutional pillars, namely, collective bargaining processes, flexibility in the labour market and social security mechanisms. The study established Denmark as a jurisdiction from which to benchmark labour governance.

Analysis of New Labour codes

The Code on Wages, 2019

1. Introduction

The Code on Wages, 2019 is the first legislation among the four labour codes passed by the Government of India to consolidate and simplify laws related to wages. The Code incorporates four previous legislations—the Payment of Wages Act, 1936; Minimum Wages Act, 1948; Payment of Bonus Act, 1965; and Equal Remuneration Act, 1976—and aims to provide universal wage protection for employees, promote equality of wage rates among men and women, and provide more convenient compliance by employers while protecting the rights of employees working under those employers.

2. Objective of the Code

The main objectives of the Code on Wages, 2019 include:

- Simplify and combine laws related to wages
- Ensure all workers receive their wages in a timely manner
- Establish a national minimum wage policy
- Remove gender discrimination in wages
- Increase transparency and consistency in how wages are set

3. Scope and Application

The Code applies to all workers regardless of the industry, wage limit, or employment status, and includes both the formal and informal sectors. Further, unlike previous laws which set minimum wage thresholds for workers, the Code does not impose such limits and provides wage protection to workers (such as contract, temporary, or part-time workers) as well as temporary, casual, or seasonal workers. Therefore, the coverage of the Code is significantly expanded compared to previous legislation.

4. Definition of Wage and Concept

The definition of 'wage' is a key feature of the Code, which provides a common definition of wage for all employers. Wage includes basic wages, dearness allowances and retention allowances but excludes certain allowances such as bonuses, house rent allowance and overtime payments, subject to an upper limit. The uniformity of definition of wage serves to lessen ambiguity about wages and to limit wage manipulation.

5. Minimum Wages Policy

The Code gives the Central Government the authority to establish a national floor wage to consider standards of living and socio-economic conditions. State Governments must then establish minimum wages not less than the floor wage. Minimum wages will be determined for time work, piece work and/or job work varying to accommodate the needs of employers and to protect workers' rights.

6. Equal Pay and Non-Discrimination

There is no discrimination against persons due to gender in wages and in relation to hiring, for people doing the same or similar work. The provision provides stronger support for the equal pay for equal work principle and incorporates gender equality in the regulatory framework for wages.

7. Wages and Bonus Payments

The Code requires that payment of wages be made in a timely fashion and within specified time limits, and that all deductions from wages be permitted. In addition, the provisions related to statutory bonus payments will continue to be in place, providing workers with continuity of benefits within the consolidated regulatory framework.

8. Strategy for the Implementation and Resolution of Issues

The Code has introduced Inspector-Cum-Facilitators (ICFs), whose function is to ensure compliance by providing inspection services and guiding employees through the compliance process. Furthermore, the Law provides for the establishment of authorities responsible for resolving disputes, enabling employees to file claims against their employers for unpaid wages and/or underpaid wages in addition to establishing penalties for employers who fail to comply with or violate the Law, thus providing better mechanisms for enforcing the provisions of the Law.

9. Importance and Effect

The Code on Wages (2019) represents a major advancement toward creating a unified and rational wage regulation system within India. The Code seeks to provide greater protections for workers; promote wage equity; and simplify compliance for employers. Nonetheless, the effective implementation of the Code will require continued monitoring, implementation and improvement of awareness regarding compliance by employees and employers, and the continued effective coordination between Central and State-level authorities in order to accomplish the expected results of the Code.

The Occupational Safety, Health and Working Conditions Code (2020)

1. Introduction

The Occupational Safety, Health and Working Conditions Code (2020) is an all-encompassing and comprehensive labour legislation in nature that provides for the unification and simplification of legislation governing Workplace Safety, Health and Work Conditions in India. The Code is a consolidation of thirteen/13 Central Labour Laws and seeks to provide a uniform and comprehensive regulatory framework for all workplaces within India that will be

applicable to all industries, including factories, mines, construction activities, plantations, transport, and Audiovisual (AV) establishments.

2. Objectives of the Code

- Providing safe, healthy and humane places to work
- Consolidating the laws on occupational safety and making them easier to understand
- Encouraging employers to be accountable for their actions and giving workers a say in how things are done
- Simplifying safety requirements so that all sectors have the same expectations of what constitutes an acceptable workplace
- Using digital technology to make following the rules easier for employers and employees alike

3. Scope and Applicability

The Code protects contract workers, inter-state migrant workers, and employees with fixed terms, thus broadening the number of employees covered by the new laws compared to previous employment legislation.

4. Duties of Employers and Employees

Employers are required by law to provide employees with a workplace that is clear and free from hazards. Employers must also comply with specific safety requirements, provide health check-ups, provide employment contracts to employees, and properly dispose of hazardous waste. Employees are also responsible for working safely, following safety procedures and looking after themselves to the best of their ability while at work.

5. Occupational Safety and Health Standards

There are, and will be, occupational safety and health standards established by the central government. These standards will be consistent across the entire country and will address hazards from physical, chemical and biological sources, environmental hazards, medical evaluations and safety audits. Also, the Code includes specific provisions for certain types of work and for businesses that are considered high risk.

6. Establishment Overview

The Code created the National Occupational Safety and Health Advisory Board and that of relevant State Advisory Boards to assist governments with the development of policy, drafting of legislation, and establishing government programmes. The use of inspector-cum-facilitators instead of traditional inspectors illustrates the change from punitive enforcement to facilitative compliance.

7. Mandates and Compliance

Establishments are now required to be registered electronically to ensure that there is no lack of transparency. Without exception, instances of workplace related accidents, hazard events, and occupational diseases must also be reported electronically. Companies that fail to comply with the reporting requirements will incur penalties; thus they have a responsibility to their employees.

8. Importance and Impact

The Occupational Safety and Health Code, 2020 represents a significant achievement towards creating an integrated and cohesive body of law governing the health and safety of workers in India. By merging the various laws and placing an emphasis on creating a safe and welcoming environment for all, the Code represents both a commitment to worker safety and to creating a sustainable business environment. However, the key to the success of this Code lies in its implementation and level of awareness amongst employers. The Occupational Safety, Health and Working Conditions Code, 2020 has created an integrated and current framework for workplace safety in India.

The Code on Social Security, 2020

1. Introduction

With the signing of the Code on Social Security 2020, India has taken a big step forward in reforming its labour laws. To pull together these various existing social security laws into one new law, the Code will now provide social security for all categories of workers, including those working in the informal economy, in addition to workers working through the gig economy and workers working using platforms (e.g. apps). Many Indian workers, regardless of their status, were not formally protected by any type of Social Protection as required by the constitution (Articles 41, 42 and 43) which states that the state should provide workers with social security and provide for a humane working environment.

2. Legislative Background/Objectives

The Code on Social Security, 2020 repeals and combines many very important statutes; to name just a few, the Employees Provident Funds and Miscellaneous Provision Act, 1952; the Employee State Insurance Act, 1948; the Payment of Gratuity Act, 1972; the Maternity Benefit Act, 1961. The purpose of consolidating these all into one law was to simplify the regulation of social security, and to avoid duplication of statute.

The Code's primary goals are to:

- Expand social security coverage to every worker, no matter which sector or type of work they do
- Standardize terminology and procedures for following the law
- Make it easier for businesses to operate in India while protecting their employees
- Offer the option of creating or producing welfare programs more flexibly

3. Who Does the Code Affect

The code applies to almost all employees, workers, or other self-employed people (including gig workers and people who work for companies like Uber and DoorDash) and will be uniformly and legally defined. The code will resolve many of the confusion and ambiguity issues in laws regarding employees by clearly defining the terms used in that area.

The inclusion of gig and platform workers is a significant departure from traditional labour laws based on the relationship between a company/employer and its employees; as society evolves with regard to technological advancements, so too will labour laws; hence, the need for laws for those who work with companies based on non-traditional means (such as platforms).

4. Institutional Framework & Governance Mechanisms

The Code provides for the maintenance and reorganisation of existing social security institutions, including the following:

- Central Board of Trustees for administering provident fund
- Workers' Compensation Commission
- Employees' State Insurance Corporation
- National Social Security Board and State Social Security Boards

5. Social Security Programs under the Code

5.1 Provident Fund and Pension Programs

The Code continues to retain contributory Provident Fund programs as one of the primary sources of income for those over the age of 65.

5.2 Employees' State Insurance

The ESI provisions will continue to provide medical care, sickness benefits, maternity benefits, disablement benefits and dependants' benefits.

5.3 Gratuity and Fixed-Term Employment

One of the major reforms to be introduced as part of the Code will be a new provision that will allow fixed-term employees among others to be eligible for pro-rata gratuity. This will increase the level of income security provided to contract employees as well as align the level of protection provided under the labour laws with the more modern ways in which people are employed.

5.4 Social Security for workers in the unorganised sector, gig economy and through platforms

The Code requires the Central and State Governments to create welfare schemes for those working in the unorganised sector, as well as gig and platform workers. These welfare schemes may provide life and disability coverage, health and maternity benefits, old-age security and assistance with educational needs.

6. Social Security Funds

The Code establishes Social Security Funds at both the central and state levels to provide financial support for the welfare schemes to be established for unorganised and gig workers. The funds may be funded by multiple sources such as employers, aggregators, governments and funding from corporate social responsibility (CSR). This funding framework is intended to ensure fiscal sustainability while increasing the coverage of the welfare schemes.

7. Compliance and Enforcement, Enforced Opt-in requirements

The Code's use of online technology to conduct inspections and allow for random allocations on who is inspected will limit discretion and promote transparency in the inspection process, as well as allow for more consistency in the application of penalties based upon compliance with the Code. In short, the penalties have been established in such a way to encourage compliance and early correction rather than punitive penalties.

8. Implications and Critique

The Code's impact will be wide ranging. For the worker, the Code will provide an assurance of a greater level of income security, access to healthcare, and social protection. For the employer, compliance with the Code will be made easier due to the creation of a consistent legal framework. For the State, the Code will provide greater ability to collect data, implement benefits that are targeted, and contribute toward long-term socio-economic stability. Ultimately the Code seeks to promote a universal social security system using inclusion, flexibility, and digitisation.

The Industrial Relations Code, 2020

1. Introduction

The Industrial Relations Code, 2020 deals with the consolidation of the three main labour laws within India, namely, The Trade Union Act (1926), The Industrial Employment (Standing Orders) Act (1946), and the Industrial Disputes Act (1947). One of the Code's primary purposes is to simplify industrial relations as well as provide for ease of doing business, to give workers protection, and to create a consistent and fair framework for trade unions, dispute resolution and employment.

2. Code's Purpose

The Industrial Relations Code primarily aims to simplify and consolidate existing labour legislation; to increase collective bargaining through certified negotiating unions; to establish a single dispute resolution system; and maintain industrial peace while protecting rights of employees; provide clarity as to legal obligations for both employers and employees.

3. Important Definitions and Gaps

The Industrial Relations Code provides a complete list of definitions for terms which are important (e.g., industry, worker, employee, employer, industrial dispute, strike, lockout, retrenchment and layoff). The Industrial Relations Code expands the definition of an industrial dispute to include individual disputes involving workers terminated, dismissed or retrenched, therefore allowing greater access to adjudication processes.

4. Trade Union Framework

The Industrial Relations Code governs the registration, operation and recognition of trade unions. There is a minimum number of workers required for a union to be registered, and the new concept of a negotiating union or negotiating council has been introduced. A trade union will be considered the sole negotiating union if it receives 51% or more of worker support. This provision will strengthen collective bargaining arrangements and reduce the rivalry between various trade unions.

5. Bipartite and Grievance Resolution Mechanism

To ensure a harmonious working environment, the Industrial Relations Code requires all establishments with 100 or more employees to establish a Works Committee; all establishments with 20 or more employees to establish a Grievance Redressal Committee. These two bodies will work together to resolve disputes at the establishment level, reducing the need for litigation and fostering cooperative relationships between employers and employees.

6. Resolution of Industrial Disputes

The Code provides for the establishment of conciliating officers, Industrial Tribunals, and National Industrial Tribunals to resolve disputes, and gives employees the right to approach the tribunals directly in certain circumstances to expedite the resolution of their claims. In addition, the provisions related to strikes and lockouts require that notice be provided to minimize the occurrence of sudden disruptions in work and to maintain industrial stability.

7. Standing Orders & Conditions of Employment

The Code provides for standardized standing orders across multiple areas including Employee Classification, Working Hours, Termination Process, and Disciplinary Action. It also recognizes the existence of fixed-term employment relationships meaning that employees on fixed-term contracts must receive the same level of pay and benefits for performing the same work as those employees who are permanent and have the same job title.

8. Importance and Meaning of the Industrial Relations Code of 2020

The Industrial Relations Code, 2020 creates a shift to more flexible labour markets while continuing to provide workers with core protection rights and encourages formalisation of employment, improves the efficiency of resolving disputes and improves the conditions to promote industrial development or growth of industry. On the other hand, there are still issues surrounding Collective Bargaining Power and restrictions on strikes that need to be addressed in a fair and equitable manner.

The World's Best Labour Law Model: Denmark

India can learn various important lessons from the Danish labour Law System as outlined below:

Denmark as a benchmark country for labour governance through a good balance between worker protection and economic flexibility.

Collective bargaining is the basis for the Danish labour law system. Almost all employment conditions are determined by collective agreements between the employer and union representatives rather than through a detailed legislative framework. In Denmark, there is flexibility for employers in the area of hiring and dismissal, but there is also strong income security through unemployment benefits, courses, retraining programmes, and active labour market policies. As a result, labour mobility does not produce economic insecurity

The Danish labour law system exhibits a high level of compliance with ILO (International Labour Organization) standards particularly in the areas of Freedom of Association and Collective Bargaining stating its strong and well-coordinated regulatory mechanisms and high rates of trust between government and the employer and employee representatives as cornerstones of stable labour relations and low levels of industrial disputes. The overall Danish rating of 93.5 out of 100 overall labour rights score is higher than the average rating for Western Europe. (Centre for Labour Research, 2024)

Denmark and India as Cases of Emerging Economies

Labour governance approaches differ for both countries because India is such a rapidly developing economy. Traditionally, labour law in India has been created through statute law; therefore, there have been multiple different laws in place, such as wage laws, industrial relations laws, social security provisions and workplace safety laws. The Indian government has recently attempted to simplify this labour regulatory framework by consolidating the many disparate pieces of legislation into four different labour codes; however, there will continue to be difficulties with regard to their implementation and the enforcement of the new codes.

One way in which Denmark and India differ is regarding the structure and composition of their respective work forces. In India, the informal economy is significant and many of these workers do not have access to social security and collective representation, whereas, in Denmark, collective agreements and a universal welfare system guarantee a high level of protection to all workers. Denmark provides income security through collective agreements and encourages worker mobility, whereas India places an emphasis on job security through legal regulation and oversight.

Another example of how Denmark and India differ with respect to labour governance is that collective bargaining does not extend beyond the organised sector in India; while in Denmark, collective-bargaining-based regulations are the basis of how labour relations are governed. As a result, Denmark has experienced higher levels of compliance with labour laws, has greater workforce stability, and continues to develop a highly skilled work force, whereas India will continue to experience difficulties regarding informality, inconsistent enforcement of labour laws, and limited access to social security coverage for workers.

Recommendations and Future Directions for India

India can learn valuable lessons from Denmark's model without necessarily copying it. To improve wage regulation and reduce industrial disputes, it is necessary to strengthen the effectiveness of collective bargaining mechanisms that take place at the sectoral level. Expanding social security coverage (including unemployment insurance) and making benefits portable would move labour protections away from job sites to the workers themselves.

To enhance employability, India needs to invest increase funding in active labour market policies (such as skills development and skill re-training programs) as those are key to enabling individuals to find sustainable employment in the changing economy. Labour law compliance will need to focus on strengthening the institution itself and on developing digital compliance systems rather than just on imposing punitive systems.

Therefore, as India considers future labour reform efforts, it is vital that reforms be done in a manner that allows for an appropriate balance between achieving economic growth and protecting workers by fostering and encouraging the principles of flexibility, inclusion and social dialogue. By considering the above principles, India will be poised to establish a robust and competitive labour market, with quality working conditions for all workers.

Conclusion

Since its independence in 1947, India has had an evolving journey regarding labour laws and the economy where both were also developing together. From having a primarily mixed economy with high levels of state control over the economy along with protecting workers through working conditions, employment standards, reporting requirements etc., India has proceeded with opening to the world and starting to make a market-oriented economy starting from the 1991 Economic Liberalisation reforms. Changes in the economic policies have also changed the structure and operation of labour laws, employment relations, and the level of workforce hired within India.

After the period of liberalisation, the policies become more focused on stimulating economic growth through industrial competitiveness and encouraging private sector participation. The result of the changes was to create additional jobs by integrating India into the global economy; however, the changes also created a disconnect between workers and the protections offered to workers, mainly due to the high amount of the workforce that would be classified as informal, migrant, and contracted workers. In addition to the change in economic policies affecting the workforce and labour laws there has been a strong emergence of technologies and the rapid

advancement of technological tools and processes involved in the system of labour which has helped replace many traditional types of work with new ways of completing work. As a result of various changes over time, today's workers are more informed and aware of the need to balance their life with their work, have the right to work with dignity, and have a social safety net provided for them in society.

The introduction of new labour codes is a very important and positive step to simplify regulation, enhance compliance and align labour governance with current economic realities. The purpose of consolidating laws is to balance flexibility for employers with protections for workers, as well as address an easier way to do business and the need for social security expansion.

However, legislative reform on its own is not enough. Implementation and institutional capacity building along with coverage that is inclusive are serious challenges.

While several countries like Denmark can be considered useful benchmarks for labour governance, India's path will need to consider India's own economic structure, demographic diversity, and developmental priorities. Achieving global best practices in labour protection is a gradual journey.

India's future labour reforms must include an emphasis on institutional strengthening, an emphasis on encouraging social dialogue, an acceptance of technological advancements, and making sure that the economic growth results in decent and secure work for everyone.

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