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An Analytical Study on the Challenges and Solutions in Implementing the Four Labour Codes in India

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ABSTRACT

India has consolidated 29 existing central labour laws into four Labour Codes: the Code on Wages, the Industrial Relations Code, the Code on Social Security and the Occupational Safety, Health and Working Conditions Code. These reforms are directed at securing natural justice, equal pay for equal work, protection of workers from weaker sections, industrial peace, better living standards for workers, protection from exploitation, and human rights and dignity, among other aims. The Codes were enacted in 2019 and 2020 and came into effect on 21 November 2025. They accommodate the standards of International Labour Organization (ILO) Conventions. India has ratified 40 of 189 ILO standards, which predominantly concern equal remuneration, workers' livelihood and hours of work; of these 40, 37 Conventions and 1 Protocol are in force. The reach of the four Codes has nonetheless been uneven across the States of India, because each State frames its own rules and regulations according to its own priorities, and the implementation of the Codes remains under discussion between the Centre and the States. Applying the Labour Codes uniformly is challenging because of varied State powers, compliance costs for small firms, and the integration of unorganised, gig and migrant workers into national systems. The four Codes nevertheless mark a historic shift towards a condensed, transparent and comprehensive framework. The Government expects them to be a turning point for efficient future economic growth, supported by effective digital implementation, balanced enforcement and cooperation among all stakeholders.

Keywords: Four Labour Codes, Labour Law Reforms, Code on Wages, Industrial Relations, Social Security

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I. INTRODUCTION

A. Meaning

A “labour code”, in the sense intended by India’s 2019–2020 reforms, is a single consolidated statute that subsumes a number of previously standalone labour enactments on a common subject (wages, industrial relations, social security, or occupational safety) into one coherent legal instrument. Its aim is to replace a set of individual laws, each with potentially disparate definitions, thresholds and enforcement agencies, with a smaller number of codes that apply more consistently. This definition is central to the discussion, because much of the challenge in implementing the Codes lies in what consolidation requires them to deliver. Merging a range of Acts into a single Code is not a purely compositional exercise; it requires resolving conflicts between the source Acts in the definitions of terms, in penalties and in thresholds. Where the source Acts clashed (on the number of workers, say, that determines whether a factory requires a licence), the Codes had to adopt a single number, which in turn affects the compliance position of establishments just below or just above the new threshold.

B. Definitions

The Codes adopt broadly harmonised definitions of core terms across all four instruments.¹ “Wages” includes basic pay, dearness allowance and retaining allowance, but expressly excludes items such as bonus, house rent allowance and the employer’s contributions to any pension or provident fund; where the payments excluded under clauses (a) to (i) together exceed one-half of total remuneration, the excess is added back and treated as wages. “Employee” and “worker” are distinct concepts, with “worker” excluding persons employed mainly in a managerial or administrative capacity, while “establishment” covers any place where any industry, trade, business, manufacture or occupation is carried on. The harmonisation of definitions across the four Codes is itself one of the more significant, if less discussed, reforms. Under the former regime a person could be a “workman” for the purposes of the Industrial Disputes Act, 1947 but fall outside the definition of “employee” under another Act altogether, creating genuine uncertainty as to which protections applied to a given individual. A single common set of definitions running across the four Codes is intended to eliminate such inconsistencies, although transitional disputes over how the new definitions relate to categories of workers classified under the old Acts are likely during the early years of implementation.

¹ The Code on Wages, 2019, No. 29, Acts of Parliament, 2019 (India), § 2(k), (l), (y), (z) (defining “employee”, “employer”, “wages” and “worker”); the definition of “wages”, including the proviso adding back excluded payments that exceed one-half of total remuneration, is reproduced in materially the same terms in the other three Codes, e.g., The Industrial Relations Code, 2020, No. 35, Acts of Parliament, 2020 (India), § 2(zq).

C. Objectives

- To examine the legal and institutional framework created by the four Labour Codes.
- To identify the principal challenges in the uniform implementation of the Codes across Indian States.
- To evaluate the opinions of the Centre, the States and other stakeholders on the reforms.
- To study relevant case law that has shaped Indian labour jurisprudence.
- To compare the Indian framework with the labour law regimes of other jurisdictions.
- To recommend practical measures for more effective and uniform implementation.

D. Scope

The study covers the four Labour Codes as enacted in 2019 and 2020 and brought into effect from 21 November 2025, with attention to their historical background, their relationship to ILO standards, comparative practice elsewhere and the difficulties of implementation across India's federal structure. It does not extend to a clause-by-clause examination of every provision of each Code, focusing instead on the structural and implementation-level problems most pertinent to the problem statement.

Within this scope, the study pays particular attention to the period between a Code's formal legal effect and its practical operability on the ground, a gap in which, as later chapters show, most of the present difficulties in implementation actually lie. The study is doctrinal rather than empirical in method and does not use primary field data such as employer or worker surveys; its conclusions rest on statutory text, government notifications, and secondary academic and journalistic commentary current at the time of writing.

E. Nature

Labour law in India is, by its nature, social welfare legislation: it exists to correct the unequal bargaining position of employer and worker, and its interpretation has traditionally leaned in favour of the worker where the statutory language allows. At the same time, because labour welfare, trade unions and industrial disputes, and social security fall within the Concurrent List of the Constitution,² Indian labour law has always had a dual character, centrally legislated but jointly administered, which is itself a major source of the implementation challenges this paper studies. This dual character also gives Indian labour law a distinctly layered nature: a Central

² INDIA CONST. sched. VII, list III, entries 22–24 (Entries 22, 23 and 24 place trade unions and industrial and labour disputes, social security, and the welfare of labour within the joint legislative competence of Parliament and the State Legislatures).

statute sets the outer boundaries of the right or obligation in question, while State-level rules fill in the operative detail (thresholds, forms, procedures) within those boundaries. The four Codes do not change this layered structure. If anything, by consolidating the Central layer into fewer, larger statutes, they have made the State layer relatively more consequential than before, since a much larger share of day-to-day compliance now depends on rules that a State may yet have to notify.

II. EVOLUTION

A. Origin

Statutory labour regulation in India has colonial-era roots, beginning with factory legislation in the late nineteenth century aimed at limiting the working hours of women and children in textile mills. These early laws were narrow in scope and driven as much by trade considerations between Indian and British textile manufacturers as by worker welfare. The earliest Factories Acts, for example, were passed partly in response to pressure from British textile manufacturers who wanted Indian mills, which then competed on lower labour costs and longer working hours, brought under comparable restrictions. Worker welfare was, in this sense, a secondary beneficiary of what began as a trade-protection measure, a pattern of mixed motives that recurs at several later points in the history of Indian labour legislation, including, some critics argue, in aspects of the present consolidation exercise.

B. History

Over the following century, labour legislation grew piecemeal. The Trade Unions Act, 1926 gave legal recognition to unions; the Payment of Wages Act, 1936 addressed timely payment; the Industrial Disputes Act, 1947 created machinery for conciliation and adjudication; and further enactments through the twentieth century addressed minimum wages, bonus, gratuity, provident fund, maternity benefit and safety in factories and mines. By the early 2000s, India had accumulated more than 40 central labour statutes, many overlapping in coverage and inconsistent in their definitions and thresholds.

This piecemeal growth was itself a product of India's economic and political history. Laws were added in response to specific crises or sector-specific demands (a mine disaster, a wave of industrial unrest, a particular category of workers left unprotected) rather than as part of any single coordinated plan. The result, by the time reform was seriously considered, was not merely a large number of laws but a body of law in which the same employer in the same establishment might have to apply entirely different definitions of "wages" or "worker" depending on which Act was in issue.

C. Framework and formation

The proposal to consolidate this fragmented law into a smaller number of codes was formally made by the Second National Commission on Labour,³ which recommended grouping the existing laws under a handful of broad heads (industrial relations, wages, social security, and safety and working conditions), a structure that closely anticipates the four Codes eventually enacted.

Between the Commission's 2002 report and the introduction of the Code on Wages Bill in Parliament in 2017, the proposal went through further rounds of tripartite consultation involving central trade unions, employers' associations and State Governments, reflecting the constitutional reality that any reform touching a Concurrent List subject requires some degree of consensus-building beyond Parliament alone.

D. Reasons for the legislation

The reasons given for consolidation include reducing the multiplicity of definitions, registrations, licences and returns with which employers previously had to comply under separate Acts; improving the ease of doing business; extending social security coverage to previously uncovered categories such as gig and platform workers;⁴ and simplifying enforcement by reducing the number of inspecting authorities a single establishment might face.

A further, less publicised reason was to modernise definitions that had not kept pace with changes in how people work. Categories such as “gig worker” and “platform worker” did not exist in Indian statute law at all before the Code on Social Security. Bringing them in required not just a new definition but a rethinking of how social security contributions, traditionally tied to a stable employer-employee relationship, could sensibly apply to workers who move between several platforms in a single week.

E. Enactment

The Code on Wages received Presidential assent first, followed by the other three Codes together a year later.⁵ Although published as law in 2019 and 2020, the Codes largely remained

³ MINISTRY OF LABOUR, GOVERNMENT OF INDIA, *Report of the Second National Commission on Labour* (2002) (recommending the consolidation of central labour laws into a smaller number of broad codes).

⁴ The Code on Social Security, 2020, No. 36, Acts of Parliament, 2020 (India), § 2(35), (60)–(61) (defining “gig worker”, “platform work” and “platform worker”), *read with* ch. IX (Social Security for Unorganised Workers, Gig Workers and Platform Workers).

⁵ The Code on Wages, 2019 (No. 29 of 2019) received Presidential assent on 8 August 2019; the Industrial Relations Code, 2020 (No. 35 of 2020), the Code on Social Security, 2020 (No. 36 of 2020) and the Occupational Safety, Health and Working Conditions Code, 2020 (No. 37 of 2020) received Presidential assent on 28 September 2020. The four Codes were brought into force from 21 November 2025 by Notification S.O. 5322(E) (Code on Wages), S.O. 5320(E) (Industrial Relations Code), S.O. 5319(E) (Code on Social Security) and S.O. 5321(E) (Occupational Safety, Health and Working Conditions Code), all dated 21 November 2025, Gazette of India, Extraordinary, pt.

dormant pending the framing of Central and State rules, and it was only through Gazette notifications issued on 21 November 2025, accompanied by a press release, that the Government of India brought all four Codes into effect, replacing the 29 laws they subsume.

The gap of five to six years between assent and actual effect is itself worth noting. It reflects both the scale of the rule-making exercise required for a Concurrent List subject and successive rounds of stakeholder consultation that repeatedly pushed back the anticipated implementation date. For students and practitioners of labour law, the gap is a reminder that a Code's date of enactment and its date of practical relevance can be years apart, a distinction to which this paper returns throughout its discussion of implementation challenges.

III. THE FOUR LABOUR CODES

A. Code on Wages, 2019

The Code on Wages unifies four previous enactments⁶ relating to the payment of wages, the fixation of minimum wages, the payment of bonus and equal remuneration for the same work or work of a similar nature irrespective of gender. It extends minimum wage protection to all employments, not only to those specified in a government-notified schedule, the limitation that had been a key shortcoming of the Minimum Wages Act, 1948.

Another important change is the introduction of a “floor wage”, to be fixed by the Central Government on the basis of the minimum living standards of workers and permitted to differ between geographical areas, with State Governments required to fix minimum wages not lower than the applicable floor wage. This two-tier structure should reduce the wide variation in minimum wage rates for broadly comparable work across neighbouring States, though its practical impact will depend on how the floor wage itself is determined and revised over time.

B. Industrial Relations Code, 2020

The Industrial Relations Code unifies three previous enactments relating to the registration of trade unions, standing orders and the resolution of industrial disputes. It restructures adjudication around a two-member Industrial Tribunal,⁷ introduces a statutory mechanism to

II, sec. 3(ii); the notifications under the Code on Wages and the Code on Social Security bring into force all but certain provisions, some of which had been brought into force earlier. *See also* PRESS INFORMATION BUREAU, MINISTRY OF LABOUR & EMPLOYMENT, *Government Makes the Four Labour Codes Effective to Simplify and Streamline Labour Laws* (Nov. 21, 2025), <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2192463>.

⁶ The Code on Wages, 2019 subsumes the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. Code on Wages, *supra* note 1, § 69(1).

⁷ The Industrial Relations Code, 2020, No. 35, Acts of Parliament, 2020 (India), § 44(2) (every Industrial Tribunal consists of a Judicial Member and an Administrative Member); §§ 3, 4, 14, 27 and 53 govern Works Committees, Grievance Redressal Committees, the negotiating union or council, the recognition of Central and State Trade Unions, and conciliation and application to the Tribunal respectively; *see also id.* § 4(10) (direct application by an individual worker to the Tribunal), § 28(1) (standing orders for establishments with three hundred or more

recognise a sole negotiating union or a negotiating council, and gives workers facing discharge, dismissal or retrenchment a route to the Tribunal that does not depend on a discretionary government reference.

The Code also raises the threshold for standing orders (the formal rules on conditions of employment that larger establishments must draw up and have certified) from 100 to 300 workers, and revises the framework for fixed-term employment, giving fixed-term workers statutory parity with permanent workers in hours of work, wages, allowances and other benefits for the duration of the contract, though fixed-term workers do not enjoy the same protection against non-renewal as permanent employees.

C. Code on Social Security, 2020

The Code on Social Security unifies nine separate social security enactments relating to provident fund, employees' state insurance, gratuity and maternity benefit, among others. Its most significant departure from the earlier framework is the express statutory recognition of gig workers and platform workers as distinct categories entitled to social security coverage,⁸ an acknowledgment of forms of employment that had grown rapidly but were legally invisible under the older laws.

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

The Occupational Safety, Health and Working Conditions Code unifies thirteen enactments⁹ relating to factories, mines, contract labour, inter-State migrant workers, and building and construction workers, among other categories. It introduces a single registration and licensing system in place of the multiple, separate registrations previously required under each of the subsumed Acts, and extends certain safety and welfare obligations to establishments and categories of workers not uniformly covered before.

IV. LEGAL PROVISIONS

A. Acts

Taken together, the four Codes subsume 29 central labour enactments spanning the better part of a century of legislative history, from the Employees' Compensation Act, 1923 (originally the

workers), § 2(o) (fixed term employment).

⁸ Code on Social Security, *supra* note 4, § 2(35), (60)–(61), ch. IX.

⁹ The Occupational Safety, Health and Working Conditions Code, 2020 subsumes thirteen enactments, including the Factories Act, 1948, the Mines Act, 1952, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. *See* The Occupational Safety, Health and Working Conditions Code, 2020, No. 37, Acts of Parliament, 2020 (India).

Workmen's Compensation Act) to the Unorganised Workers' Social Security Act, 2008. The Acts subsumed under each Code are identified in Chapter 3 above.

B. Amendments

Because the Codes are central legislation on subjects within the Concurrent List, States have begun framing their own rules and, in some cases, have proposed State-specific threshold values (for example, the number of workers above which certain provisions apply) where the Codes permit the appropriate Government to set them.¹⁰ This layered structure of a Central Code plus State rules is itself a source of variation in how the same statutory provision is ultimately applied on the ground.

C. Principles

- Equal pay for equal work irrespective of gender, carried forward from the Equal Remuneration Act, 1976 into the Code on Wages.
- Natural justice in disciplinary proceedings and termination of employment.
- Social security as a near-universal entitlement, extended in principle to unorganised, gig and platform workers.
- Industrial peace through structured conciliation and adjudication rather than unregulated confrontation.

D. Maxims

- *Audi alteram partem*:¹¹ no person should be condemned unheard; embedded in the procedural safeguards for dismissal and disciplinary action across the Codes.
- *Ubi jus ibi remedium*: where there is a right there is a remedy; reflected in the statutory grievance and adjudication machinery that each Code provides for the rights it creates.
- *Salus populi suprema lex*: the welfare of the people is the supreme law; frequently cited as a justification for the State's regulatory authority over private employment relationships in the interest of worker welfare.

¹⁰ Draft Central Rules under the four Labour Codes were published in the Official Gazette on 30 December 2025, with a 30-day window for objections and suggestions on the draft Industrial Relations Rules and a 45-day window for the draft rules under the other three Codes. The final Code on Wages (Central) Rules, 2026, Social Security (Central) Rules, 2026 and Industrial Relations (Central) Rules, 2026 were notified on 8 May 2026, and the Occupational Safety, Health and Working Conditions (Central) Rules, 2026 by G.S.R. 345(E) of the same date, published in the Gazette on 9 May 2026. See CYRIL AMARCHAND MANGALDAS, *Implementation of Central Rules under the Labour Codes* (May 12, 2026), <https://www.cyrilshroff.com/wp-content/uploads/2026/05/Client-Alert-Labour-Codes-Implementation-of-Rules.pdf>; see also Industrial Relations Code, *supra* note 7, § 77(1) (threshold of three hundred workers, "or such higher number of workers as may be notified by the appropriate Government").

¹¹ The principle of natural justice, encapsulated in the maxim *audi alteram partem* ("hear the other side"), underlies the procedural safeguards built into the disciplinary and dismissal provisions across all four Codes.

V. OPINIONS ON THE LABOUR CODES

A. Central and State opinion

The Central Government has consistently presented the four Codes as a modernising, pro-worker reform that also eases compliance for industry.¹² A number of State Governments and central trade unions took a more critical view during the drafting process, contending that certain provisions (such as the raising of the threshold for prior government permission before lay-off, retrenchment or closure from 100 to 300 workers, or the extension of the strike-notice requirement to all industrial establishments) tilted the balance in favour of employers.¹³

B. Implementation of the Codes in the States

Because labour is a Concurrent List subject, the Codes take full practical effect only once both Central and State rules are notified. After the Codes were brought into force on 21 November 2025, draft Central Rules were published with defined comment periods, and the final Central Rules under all four Codes were notified in May 2026;¹⁴ the States, however, have been at different stages of publishing their own draft or final rules, so that the practical, on-the-ground effect of the Codes has not been uniform even after the formal effective date.

C. Limitations

- Compliance costs for micro and small firms, which may lack the administrative capacity to adapt quickly to new registration, wage and safety requirements.
- Coverage gaps for informal, unorganised and migrant workers, who are often the hardest to bring within any registration-based system, however well designed.
- Gaps in digital implementation, since several of the Codes' compliance mechanisms rely on online registration and reporting, which presume access to digital infrastructure that is not uniformly available.
- Institutional capacity, particularly the availability of trained Inspector-cum-Facilitators and adjudicating officers to enforce the new provisions.

These limitations are not merely teething problems that will resolve themselves with time. Several of them, the digital divide in particular, reflect structural inequalities in Indian society

¹² MINISTRY OF LABOUR AND EMPLOYMENT, GOVERNMENT OF INDIA, public communications on the Labour Codes, noting the objective of easing compliance for micro, small and medium enterprises through simplified registration, licensing and single returns; *see also* PRESS INFORMATION BUREAU, *supra* note 5.

¹³ Several State Governments and central trade unions publicly opposed aspects of the Labour Codes during the drafting process on the ground that they diluted existing worker protections; ten central trade unions jointly called for the withdrawal or substantial revision of the Codes. *See* Industrial Relations Code, *supra* note 7, §§ 62, 77(1).

¹⁴ *See supra* note 10.

that predate the Codes and that no amount of statutory drafting can fully address on its own. A realistic assessment of the Codes' first years in operation should therefore expect uneven results across States and sectors, rather than a single national rollout with a consistent effect everywhere.

D. Disputes between the Centre and the States

The overlapping legislative competence created by the Concurrent List means that the Centre sets the outer framework of the Codes, while the States retain meaningful control over rule-making, thresholds and enforcement priorities within their territory. This has produced visible variation in the pace and manner of implementation and, in some cases, open disagreement between the Centre and individual States over specific provisions of the draft rules.

VI. INTERNATIONAL CONTRIBUTION

A. Conventions ratified by India

India has ratified six of the ILO's fundamental Conventions¹⁵ (on forced labour, the abolition of forced labour, equal remuneration, discrimination in employment, minimum age, and the worst forms of child labour), six of the eight that were classed as fundamental before the ILO added its two occupational safety and health Conventions to that category in 2022. It has also ratified a wider set of conventions on matters such as working hours, industrial safety and social security, several of which are reflected in the standards that the four Labour Codes aim to meet.

B. International Labour Organization (ILO)

The International Labour Organization is the specialised agency of the United Nations responsible for developing international labour standards. Its conventions and recommendations, developed through a tripartite consultative process, provide a reference framework on which Indian labour law reforms have periodically drawn, notably in the design of the four Codes.

C. Non-ratified ILO Conventions

India has not ratified the two core conventions most concerned with collective labour rights,¹⁶ Convention No. 87 on freedom of association and Convention No. 98 on the right to organise

¹⁵ PRESS INFORMATION BUREAU, GOVERNMENT OF INDIA, *ILO Fundamental Conventions* (confirming that India has ratified six of the eight core ILO Conventions: Nos. 29, 105, 100, 111, 138 and 182). India has not ratified the Occupational Safety and Health Convention, 1981 (No. 155) or the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), which became fundamental Conventions on the 2022 amendment of the ILO Declaration on Fundamental Principles and Rights at Work.

¹⁶ India has not ratified ILO Convention No. 87 (Freedom of Association and Protection of the Right to Organise Convention, 1948) or Convention No. 98 (Right to Organise and Collective Bargaining Convention, 1949), primarily on account of statutory restrictions applicable to government employees.

and collective bargaining. The reason usually given is that ratification would require relaxing existing statutory restrictions on the right of government employees to strike and to organise freely. Non-ratification remains one of the most frequently cited criticisms of India's overall labour rights framework, particularly in the context of the Industrial Relations Code.

Non-ratification does not mean that these conventions have no bearing on India. As a member State of the ILO, India is bound by the 1998 Declaration on Fundamental Principles and Rights at Work to respect and promote the principles of all the fundamental conventions, ratified or not, and its practices remain open to review by the ILO's Committee on Freedom of Association regardless of formal ratification. The practical significance of ratification, in other words, lies less in creating new obligations than in the stronger, binding supervisory mechanism that applies once a convention is formally accepted.

VII. COMPARISON OF FOREIGN LABOUR CODES AND THE INDIAN LABOUR CODES

A. United States of America

Labour regulation in the United States¹⁷ is considerably more decentralised than in India, with federal statutes setting a floor and individual States free to legislate more generously. Collective bargaining rights are protected, but at-will employment remains the general default, in contrast with the more protective, notice-and-cause-based termination provisions of Indian law.

B. United Kingdom

The United Kingdom¹⁸ relies on a body of statute and an independent conciliation service to manage individual and collective employment disputes, with Employment Tribunals providing a specialised, time-bound forum broadly analogous in purpose, if not always in speed, to India's Industrial Tribunals under the Industrial Relations Code.

C. Russia

Russia¹⁹ codified its labour law into a single comprehensive code nearly two decades before India did the same, offering a useful comparison of how a large federal country can consolidate

¹⁷ Fair Labor Standards Act of 1938, 29 U.S.C. §§ 201–219; National Labor Relations Act, 29 U.S.C. §§ 151–169. Together these govern minimum wages, overtime and collective bargaining rights in the United States, within a considerably more decentralised framework than the Indian Codes.

¹⁸ Employment Rights Act 1996, c. 18 (UK); Trade Union and Labour Relations (Consolidation) Act 1992, c. 52 (UK). These form the core of UK employment protection and collective bargaining law, supplemented by the Advisory, Conciliation and Arbitration Service (ACAS).

¹⁹ *Trudovoi Kodeks Rossiiskoi Federatsii* [TK RF] [Labour Code of the Russian Federation], Federal Law No. 197-FZ of Dec. 30, 2001, which provides a single consolidated code governing employment relationships, broadly comparable in structure to India's codification of 2019–2020.

its regulation into a single instrument while still allowing for regional variation in its application.

D. China

China's approach²⁰ combines statutory employment protection with a state-affiliated trade union structure, in contrast with India's more pluralistic, multi-union environment, whose fragmentation the Industrial Relations Code's negotiating-union mechanism is designed to address.

E. Japan

Japan²¹ illustrates a system historically built around long-term, single-employer careers, which involves a different set of labour law priorities (seniority-based protection and employer-provided welfare) from those of India, with its much larger informal and contract-labour workforce.

F. Gulf countries

Several States²² of the Gulf Cooperation Council have reformed their migrant-labour sponsorship systems in recent years, which is of direct relevance to India given the scale of Indian labour migration to the region and the Codes' own attempt to extend the portability of benefits to migrant and inter-State workers.

G. Comparison with the Indian statutes

Taken together, these examples suggest that India's move from a multiplicity of separate labour statutes to four consolidated Codes is broadly in line with an international trend towards simplified, unified labour codes, but that India's federal structure, the scale of its informal workforce and its non-ratification of the ILO's core collective-rights conventions set it apart from most of the jurisdictions surveyed.

²⁰ Labour Contract Law of the People's Republic of China (adopted June 29, 2007, effective Jan. 1, 2008) and the Trade Union Law of the People's Republic of China (1992) govern employment contracts and union recognition, within a framework in which the All-China Federation of Trade Unions holds a unique institutional position.

²¹ Rōdō Kijun Hō [Labour Standards Act], Act No. 49 of 1947 (Japan), which sets minimum working conditions nationally, historically supplemented by long-term employment practices that differ significantly from the flexible, contract-based arrangements common in India's informal sector.

²² Several Gulf Cooperation Council States, including the United Arab Emirates and Saudi Arabia, have in recent years reformed elements of the *kafala* (sponsorship) system governing migrant labour, a context relevant to India given the large number of Indian migrant workers employed in the region.

VIII. CASE LAW ON LABOUR LAW

A. Evolution of labour law

Indian labour jurisprudence has evolved less through the Codes themselves, which are still new, than through decades of judicial interpretation of the older Acts they replace. The cases below remain directly relevant because the principles they establish carry over into the interpretation of the new Codes.

None of the four Codes displaces this body of precedent by itself. Where a Code re-enacts a concept from an older Act in substantially similar language, as with “industry” under the Industrial Relations Code or minimum wage enforcement under the Code on Wages, courts can be expected to continue applying the interpretation developed under the earlier law, on the settled principle that re-enactment in substantially similar terms carries forward the existing judicial gloss on the term.

B. *Bijay Cotton Mills v. State of Ajmer*, 1955

In *Bijay Cotton Mills*,²³ the Supreme Court upheld the constitutionality of statutory minimum wage fixation against the argument that it unreasonably restricted an employer’s freedom to carry on business, holding that such restrictions were justified in the interest of social welfare. This reasoning continues to underpin the minimum wage provisions now housed in the Code on Wages.

C. *Bangalore Water Supply v. Rajappa*, 1978

In *Bangalore Water Supply*,²⁴ a seven-judge Bench laid down the broad “triple test” for what constitutes an “industry”, extending the protective coverage of industrial dispute law to a wide range of establishments, an interpretive question that remains important under the Industrial Relations Code’s own definition of “industry”.

D. *PUDR v. Union of India*, 1982

In *PUDR*,²⁵ the Supreme Court held that paying workers less than the statutory minimum wage amounts to “forced labour” prohibited by Article 23 of the Constitution, giving minimum wage enforcement a constitutional as well as a statutory dimension that carries forward into enforcement of the Code on Wages.

²³ *Bijay Cotton Mills Ltd. v. State of Ajmer*, AIR 1955 SC 33 (India) (upholding the constitutionality of the Minimum Wages Act, 1948 against a challenge under Article 19(1)(g) of the Constitution).

²⁴ *Bangalore Water Supply & Sewerage Board v. A. Rajappa*, (1978) 2 SCC 213 (India).

²⁵ *People’s Union for Democratic Rights v. Union of India*, AIR 1982 SC 1473 (India) (holding that payment below the statutory minimum wage amounts to forced labour prohibited by Article 23 of the Constitution).

E. T.K. Rangarajan v. Government of Tamil Nadu, 2003

In *T.K. Rangarajan*,²⁶ the Supreme Court held that government employees have no fundamental, statutory or equitable right to strike, a holding frequently cited in debates over the strike-notice provisions retained and, in some respects, tightened under the Industrial Relations Code, 2020.

IX. OBSERVATIONS AND SPECULATIONS**A. Analysis**

The four Labour Codes represent a genuine simplification of Indian labour law, but the practical impact of the reform will depend far more on the speed and quality of State-level rule-making than on the text of the Codes themselves. The gap between the Codes' effective date and the notification of workable Central and State rules illustrates this clearly: a Code that is legally "in force" is not necessarily a Code that is fully operative on the ground.

Viewed over a longer horizon, the Codes can be seen as trying to achieve two things at once: reducing the compliance burden on employers, and extending protection to categories of workers (gig and platform workers and inter-State migrants) previously outside the reach of labour law altogether. Where these two goals align, as in single registration systems that also make it easier to track an employer's welfare obligations, the reform is relatively uncontroversial. Where they conflict, as with the changed thresholds for prior permission before lay-off or retrenchment, the reform becomes contentious, and it is precisely these points that dominate the public debate around the Codes.

B. Critiques

- Critics argue that the Industrial Relations Code's changes to the lay-off, retrenchment and strike-notice provisions shift bargaining power in favour of employers compared with their position under the Industrial Disputes Act, 1947.
- India's continued non-ratification of ILO Conventions 87 and 98²⁷ is cited as evidence that its collective bargaining framework has yet to meet international best practice, despite the Codes' other reforms.
- Delegated State rule-making on critical thresholds and procedures may recreate, within each State, the very fragmentation the Codes were meant to eliminate nationally.
- Some commentators have questioned whether the extension of social security to gig and platform workers is adequately funded in practice, since the aggregator-

²⁶ *T.K. Rangarajan v. Government of Tamil Nadu*, AIR 2003 SC 3032 (India) (holding that government employees have no fundamental, statutory or equitable right to strike).

²⁷ See *supra* note 16.

contribution model envisaged by the Code on Social Security has not yet been tested at scale.

- Trade unions have raised concerns that the consolidation of the Trade Unions Act, 1926 into the Industrial Relations Code, together with the new negotiating-union mechanism, could in practice make it harder for smaller or newer unions to be heard in bargaining, despite the mechanism's stated aim of reducing fragmentation.

C. Suggestions

- A binding, publicly tracked timeline for the notification of State rules, so that the gap between the Codes' legal effective date and their practical application is minimised and made transparent.
- Capacity-building and simplified digital compliance tools for micro and small enterprises, to reduce the disproportionate burden that the new registration and reporting requirements would otherwise place on them.
- Consideration of ratifying ILO Conventions 87 and 98, together with the domestic legal changes such ratification would entail, to bring India's collective labour rights framework closer to international standards.
- A standing Centre-State coordination mechanism dedicated to the implementation of the Labour Codes, to reduce the scope for prolonged disagreement over rules and thresholds.
- Periodic published data on the enrolment of gig and platform workers under the Code on Social Security, so that the actual reach of the new coverage, as opposed to its statutory promise, can be independently assessed as implementation proceeds.

X. CONCLUSION

A. Key elements

The four Labour Codes consolidate 29 laws built up over the better part of a century into a more coherent framework covering wages, industrial relations, social security and occupational safety. They became legally effective on 21 November 2025, and the final Central Rules followed in May 2026, but full and uniform implementation across India is contingent on State rules that, at the time of this study, remain a work in progress. Judicial principles developed under the old Acts, on minimum wages, the meaning of "industry", forced labour and the right to strike, will continue to shape how the new Codes are interpreted. Comparative practice suggests that India's consolidation is broadly in line with international trends, even as gaps

remain, most notably around ILO Conventions 87 and 98. The success of this reform will ultimately be measured less by the text of the Codes than by how consistently and fairly they are applied across every State of the Union.

Viewed as a whole, the four Codes are better understood as a beginning, rather than an end, of a much longer process of implementation, rule-making and judicial interpretation that is likely to take several more years to settle. That is not necessarily a criticism unique to India: large consolidations of this kind in any country tend to unfold gradually. What will determine whether this particular reform is judged a success is whether the gap between the Codes' stated goals (simplified compliance, wider social security, industrial peace) and their day-to-day application on the ground continues to narrow, or whether it becomes a permanent fixture of the new framework, as it was under aspects of the law the Codes sought to replace.
