A CRITICAL ANALYSIS OF INDIA'S FOUR LABOUR CODES: THE CHALLENGE OF PROTECTING THE INFORMAL AND GIG WORKFORCE

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ABSTRACT

The four Labour Codes were meant to bring all the old rules into a single clear set. I see that the old laws were confusing and hard to follow. For than seventy years industrial relations in India were controlled by a broken set of almost thirty central labour laws many of which came from the colonial era. These laws overlapped, had rules and made it hard for both employers and workers to keep track of what they must do. In September 2020 Parliament passed the Industrial Relations Code, the Occupational Safety, Health and Working Conditions Code and the Code on Social Security. A year earlier it had passed the Code on Wages. After a delay of than five years the Government of India made all four Codes effective on 21 November 2025. This paper carefully studies the four Codes. Compares them with the old laws. It looks at how the Industrial Relations Code brings together trade union recognition, standing orders and dispute resolution. It examines how the Code on Wages simplifies wage and bonus rules. It reviews how the Occupational Safety, Health and Working Conditions Code changes safety rules and limits of application.. It explores how the Code on Social Security for the first time creates a legal safety net for gig and platform workers. Using academic articles, labour-economics studies and official government notices the paper argues that although the Labour Codes bring useful order some parts of them – such as higher thresholds for who must follow the rules loose wording about gig-worker benefits and the fact that workers on many platforms are still not seen by the law – may push power toward employers. I think the new codes bring clarity but still leave gaps. This could happen without giving the informal workforce the safety it needs. The paper ends with suggestions, for rules that could close this gap.

Keywords: Labour Codes, 2020; Industrial Relations Code; Occupational Safety, Health and Working Conditions Code; Gig and Platform Workers; Informal Sector Regulation

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I. INTRODUCTION

The government has always had to balance two goals when it comes to industry in India: protecting workers and keeping employers flexible.

After independence India used about twenty-nine central labour laws to try to keep that balance. These laws included the Trade Unions Act, 1926; the Industrial Employment (Standing Orders) Act, 1946; the Industrial Disputes Act, 1947; the Minimum Wages Act, 1948; and the Employees Provident Funds Act, 1952.

Every law had its definition of what a worker is, what an establishment is and what wages mean. It also had its rules about when it applies. This made the rules hard to follow. Labour law groups said the system was broken and hard to manage.

To tidy up Parliament made the Code on Wages in 2019. A year later it made three codes: the Industrial Relations Code, 2020; the Occupational Safety, Health and Working Conditions Code, 2020; and the Code on Social Security 2020. These four new codes replaced the twenty-nine laws.[1]

Even though the laws were announced soon after they were made they did not start until than five years later because the governments had to finish the rules that explain how to use them. The wait stopped when the Ministry of Labour and Employment announced in a Gazette that all four Codes would start on 21 November 2025.[2]

This change is the change to India's labour law since independence. It is time to look at the Codes again and think carefully about them.

This paper is divided like this: Part II looks at why the laws were put. Part III looks at the Industrial Relations Code, 2020. How it deals with trade unions, standing orders and dispute resolution. Part IV looks at the Code on Wages, 2019. Part V looks at the Occupational Safety, Health and Working Conditions Code, 2020 the new rules about when it applies. Part VI looks at the Code on Social Security, 2020 and its still unfinished plan to give welfare to gig and

[1] New Labour Codes Usher in a New Era of Compliance, DLA Piper GENIE (2025), https://knowledge.dlapiper.com/dlapiperknowledge/globalemploymentlatestdevelopments/2025/government-of-india-notifies-the-labour-codes-ushers-a-new-era-of-compliances (noting that the Code on Wages, 2019 received presidential assent on 8 August 2019 and the remaining three Codes on 28 September 2020).

[2] Ministry of Labour & Employment, Press Release, Government Makes the Four Labour Codes Effective to Simplify and Streamline Labour Laws, Press Info. Bureau (Nov. 21, 2025), https://www.pib.gov.in/PressReleasePage.aspx?PRID=2192463.

platform workers. Part VII puts these findings into the debate about how flexible the labour market should be. Part VIII talks about the challenges of putting the laws into practice. Part IX ends with suggestions, for the rule-making process that is still happening.

II. FROM FRAGMENTATION TO CODIFICATION: THE RATIONALE FOR CONSOLIDATION

The case for codification was based on three repeated complaints about the situation before 2020. First there was confusion in definitions: the word "employee" meant things under different laws making it hard for companies to follow the rules for the same group of workers. Second there was confusion in who was in charge between state officials, which caused problems with following the rules and left some areas uncovered. Third none of the laws expected the growth of jobs managed through digital platforms and the gig economy so many workers in these areas were not protected by the rules that cover other workers.

These concerns had in fact been identified and documented well before 2020. The Second National Commission on Labour, constituted in 1999 under the chairmanship of Ravindra Varma, submitted its report to the Government of India in June 2002 after a comprehensive survey of the existing legislative landscape. The Commission found the prevailing laws to be inconsistent, archaic, and overlapping, and recommended that all central labour laws be rationalised and consolidated into four broad functional categories covering industrial relations, wages, social security, and safety, health, and working conditions. The four Labour Codes enacted between 2019 and 2020 are a direct legislative response to those recommendations, making the Commission report the foundational policy document behind the design of each Code.[3]

The Governments description of the changes highlights making things easier for businesses and covering workers. Giving all workers written job offers setting a minimum wage by law offering free health checks for workers over forty and giving social security to gig and platform

[3] 'Overview of Labour Law Reforms' (PRS India) <https://prsindia.org/billtrack/overview-of-labour-law-reforms> accessed 11 September 2026 (noting that the Second National Commission on Labour (2002) recommended consolidation of central labour laws into four functional categories corresponding to the four Labour Codes); see also 'India's Four Labour Codes Mark a Historic Shift for Workers' (Law.asia, June 2026) <https://law.asia/india-labour-codes-reform/> accessed 11 September 2026.

workers for the first time.[4] The main question this paper looks at is whether the promise to make things simpler for businesses and to protect workers better can be kept at the time.

III. THE INDUSTRIAL RELATIONS CODE, 2020

The Industrial Relations Code, 2020 ("IR Code") takes the place of. Combines the Industrial Disputes Act, 1947 the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.[5] In structure the Code keeps the three-part system of works committees handling complaints and industrial courts that came from the Industrial Disputes Act while also giving recognition to fixed-term jobs and more freedom for smaller companies when it comes to cutting staff ending jobs and closing down.

Among the more specific operational changes introduced by the IR Code is its revision of the worker threshold for requiring prior government permission before an industrial establishment may carry out layoffs, retrenchment, or closure. Under the Industrial Disputes Act, 1947, non-seasonal factories, mines, and plantations employing one hundred or more workers were required to obtain prior government approval before such actions could be taken. The IR Code raises this threshold to three hundred workers, bringing a substantially larger universe of mid-sized enterprises outside the mandatory prior-permission regime and correspondingly reducing state oversight over involuntary job loss at those establishments.[6]

Comments from experts on the IR Code are more careful than the Governments own description. In a known analysis Bhuta compares the IR Code with the Industrial Disputes Act section by section and says that the way employers and workers deal with each other under the new rules is still not friendly but still in conflict with some changes. Like reducing the requirement for government permission before cutting staff or ending jobs by raising the worker threshold from one hundred to three hundred workers, and introducing a higher

[4] Ministry of Labour & Employment, supra note 2.
[5] Anjali Menon, Bilal Lateefi & Namratha M.N., The Industrial Relations Code 2020: A Structural Reset of India's Industrial Relations Framework, Bar & Bench (2026), https://www.barandbench.com/view-point/the-industrial-relations-code-2020-a-structural-reset-of-indias-industrial-relations-framework.
[6] Anjali Menon, Bilal Lateefi and Namratha M.N., 'The Industrial Relations Code 2020: A Structural Reset of India's Industrial Relations Framework' (Bar & Bench, 2026) <https://www.barandbench.com/view-point/the-industrial-relations-code-2020-a-structural-reset-of-indias-industrial-relations-framework> accessed 11 September 2026 (explaining the increase in the prior-permission threshold from one hundred to three hundred workers for layoffs, retrenchment, and closure); see also 'Retrenchment and Lay-Off Under IR Code 2020' (IndianHRM, July 2026) <https://www.indianhrm.com/guides/retrenchment-layoff-ir-code> accessed 11 September 2026.

membership bar for trade union recognition. Giving more power to employers.[7] Roy and Dubey also say something in their note about the Code warning that making it easier to give notice for strikes and easier to get a union to represent workers could actually make it harder for smaller and less organized unions to work together.[8]

Not all opinions are negative. Padmanabhan and S. writing in the International Journal of Law and Policy Review say that the Codes combining of rules and its new legal system for handling complaints in companies with twenty or more workers is a step forward, for workers even though they admit that how well these changes work will depend on how strong the rules made by local governments are.[9] This conflict between the Codes goal of involving workers and the choices it leaves for laws made by others. Appears in all four codes. Is discussed more in Part VIII below.

IV. THE CODE ON WAGES, 2019

The Code on Wages 2019 brings together the Minimum Wages Act, 1948 the Payment of Wages Act, 1936 the Payment of Bonus Act 1965 and the Equal Remuneration Act, 1976 into one wage law. For the time this law applies to every establishment no matter what kind of work it does.[10] One of the changes in the Code is the introduction of the National Floor Wage. This is a wage level set by the central government. No state can set a minimum wage than this. The goal is to reduce the differences in minimum wages across states that existed before.

Experts generally support the idea of a national floor wage.. They say that how high or low this wage is set will be the most important factor in whether the reform works. If the national floor wage is too high compared to the economy and productivity it could push low-productivity workers out of formal jobs. If it is too low it won't ensure a standard of living especially in states where the cost of living is high. The Code does not fix the level of the national floor

[7] Aishwarya Bhuta, Imbalancing Act: India's Industrial Relations Code, 2020, 65(3) Indian J. Lab. Econ. 821, 821-30 (2022), https://doi.org/10.1007/s41027-022-00389-3.
[8] Gopal Krishna Roy & Amaresh Dubey, A Note on Industrial Relations Code, 2020, 65(3) Indian J. Lab. Econ. 533, 533-43 (2022), https://doi.org/10.1007/s41027-022-00368-8.
[9] Abhishek Sharma Padmanabhan & Sapna S., A Critical Analysis of the Industrial Relations Code, 2020 in Promoting Industrial Harmony and Employee Participation, 13(1) Int'l J.L. & Pol'y Rev. 155, 159-61 (2024).
[10] Critical Examination of India's New Labour Codes, CJP (Dec. 18, 2025), https://cjp.org.in/critical-examination-of-indias-new-labour-codes/.

wage in the law.[11] Instead it allows for updates by the executive. Importantly, as of 2026, the Central Government had not yet formally notified a binding statutory National Floor Wage under the Code. The older advisory National Floor Level Minimum Wage of one hundred and seventy-eight rupees per day, set in 2017 under the pre-existing minimum wage framework, continued to serve as the operative benchmark pending that notification.[12] This means the real impact of the reform will depend more on rule-making than on what Parliament passed. This is similar to how the Industrial Relations Code leaves parts of the complaint system to be decided later through rules.

V. THE OCCUPATIONAL SAFETY, HEALTH AND WORKING CONDITIONS CODE, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 also called the OSH Code combines thirteen laws. These include the Factories Act, 1948 the Contract Labour (Regulation and Abolition) Act, 1970 and the Building and Other Construction Workers Act 1996. It creates one rulebook for safety, health and working conditions in the workplace.

One of the important and debated changes in the OSH Code is the new minimum number of workers needed for a workplace to be classified as a factory. The limit has gone up from ten workers to twenty for factories using power. For workplaces not using power it has increased from twenty to forty workers.[13]

The government says this change is meant to ease the burden on micro businesses. These businesses were previously treated the way as large factories, which was not practical.. Critics argue that this change removes many small factories from the law's requirements. These are the factories that already have weak safety practices. By taking them out of the scope of registration, inspections and welfare facilities the law may weaken protection, in high-risk

[11] Why India's Labour Codes Will Succeed or Fail in State Capitals, ThePrint (June 6, 2026), https://theprint.in/opinion/india-labour-codes-analysis/2952056/.

[12] 'Minimum Wages in India (2026): Rates, Floor Wage, Skills and State Guide' (CalcGuru, August 2026) <https://calcguru.in/minimum-wages-india/> accessed 11 September 2026 (noting that the binding statutory National Floor Wage under the Code on Wages, 2019 'has not yet been notified' and that the older advisory National Floor Level Minimum Wage of Rs 176 per day (2017) remains operative); see also 'India's National Floor Wage: A Strategic Guide to Multi-State Payroll Compliance' (India Briefing, March 2026) <https://www.india-briefing.com/news/how-to-standardize-payroll-india-floor-wage-system-43219.html/> accessed 11 September 2026.

[13] Labour Codes and the Informality Challenge in India, NextIAS Current Affairs (Mar. 13, 2026), https://www.nextias.com/ca/current-affairs/13-03-2026/labour-codes-informality.

sectors like construction and small-scale manufacturing. These sectors already have higher rates of workplace accidents.

The concern about diminished oversight is grounded in documented evidence of the scale of occupational harm in India. Data obtained from the Directorate General, Factory Advice Service and Labour Institutes through a Right to Information request, and reported by IndiaSpend in 2023, showed that registered factories in India recorded an average of approximately one thousand one hundred deaths and more than four thousand injuries per year between 2017 and 2020, amounting to roughly three fatalities every working day. These figures relate exclusively to formally registered factories; the wider informal economy, within which the newly exempted smaller establishments predominantly operate, lies structurally outside the inspection and reporting framework, meaning the actual toll of occupational injury and death is likely to be substantially higher.[14]

The OSH Code also leaves technical safety rules to be decided later. Both the central and state governments will make these rules. That means the actual strength of the safety law will not be clear until these rules are fully written.[15] The rules are expected to be finalized by November 2025. Until then it's hard to say how strict the safety standards really will be.

VI. THE CODE ON SOCIAL SECURITY 2020: GIG AND PLATFORM WORKERS

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The Code on Social Security, 2020 ("SS Code") brings together nine laws, such as the Employees Provident Funds Act, 1952 the Employees State Insurance Act, 1948 and the Maternity Benefit Act, 1961. The SS Codes newest part is Sections 109 through 114. These sections for the time give a clear meaning to the words "gig worker" and "platform worker" in Indian laws. They also create a Social Security Fund that will be paid for by contributions from aggregators. The Social Security Fund will run programs that cover life, disability, health, maternity and old-age protection for gig workers and platform workers.[16] This is a step because

[14] Shreehari Puliyath, '3 Workers Die Every Day in Indian Factories, Govt Data Show' (IndiaSpend, 21 January 2023) <https://www.indiaspend.com/special-reports/3-workers-die-every-day-in-indian-factories-govt-data-show-850083> accessed 11 September 2026 (reporting DGFASLI data obtained through a Right to Information request showing an average of 1,109 deaths and more than 4,000 injuries in registered factories each year between 2017 and 2020).

[15] CJP, supra note 8.

[16] Ashwath Chitranshi & Aryan Sharma, Social Security for Gig and Platform Workers under the Code on Social Security, 2020: Gaps, Challenges, and the Road Ahead, 8(2) Indian J.L. & Legal Rsch. 573, 573-74

the number of gig workers and platform workers in India about twelve million in 2024-25 is expected to grow to more than twenty-three and a half million by 2029-30.[17]

The gap left by the central framework has not gone unaddressed at the subnational level. Rajasthan became the first Indian state to legislate specifically for platform-based gig workers when it passed a dedicated welfare statute in July 2023, establishing a state-level welfare board and a contribution mechanism integrated directly into aggregator applications. By August 2025, three further states, namely Karnataka, Bihar, and Jharkhand, had enacted comparable legislation. Karnataka's law is widely regarded as the most detailed of the group, mandating algorithmic transparency, requiring written notice before a worker's account may be deactivated, and establishing a two-tier grievance mechanism with prescribed timelines. This pattern of state-level action, which outpaced the operationalisation of the central framework, underscores both the urgency of the regulatory gap and the structural limitation of the SS Code's reliance on future discretionary rule-making rather than immediate enforceable entitlements.[18][19]

Scholars say that the SS Codes promise is far larger than what the SS Code has delivered. Three main problems appear in the research. First the SS Code is not clear about definitions. The SS Code makes gig worker, platform worker and unorganised worker overlap. The SS Code gives no rule for deciding which label gig worker or platform worker should use and which benefits gig worker or platform worker should receive. Second the SS Code has a gap in how it will be carried out. The SS Code uses language that's gentle instead of compulsory. The SS Code also does not list any welfare schemes. The SS Code also does not specify the rates that aggregators must pay. Third the SS Code keeps gig workers and platform workers out of the protections that the other three Codes give. Those other Codes cover wages, industrial relations and occupational safety. Those Codes assume an employer-employee relationship. The SS Code does not fit that assumption because gig work is different.[20]

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(2026), https://www.ijllr.com/post/social-security-for-gig-and-platform-workers-under-the-code-on-social-security-2020-gaps-challeng.

[17] Id

[18] 'Rajasthan Passes Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023' (India Corporate Law, 30 August 2023) <https://corporate.cyrilamarchandblogs.com/2023/08/rajasthan-passes-rajasthan-platform-based-gig-workers-registration-and-welfare-act-2023/> accessed 11 September 2026.

[19] 'Karnataka Gig Workers Act: What the Law Says and Why It's Contested' (Business Standard, 8 July 2026) <https://www.business-standard.com/india-news/karnataka-gig-workers-act-explained-benefits-high-court-platforms-126070800776_1.html> accessed 11 September 2026; Puja Bhattacharjee, 'Beyond Welfare in India's Gig Sector' (Labour Review, 25 September 2025) <https://labourreview.org/beyond-welfare/> accessed 11 September 2026.

[20] Chitranshi & Sharma, supra note 12, at 574-76.

A further problem is a gig worker or platform worker who earns from more than one aggregator at the same time. This is common, for delivery workers. Ride-hailing workers. The SS Codes way of collecting contributions looks at each aggregator separately. If gig worker or platform worker moves from one aggregator to another during a week the gig worker or platform worker might slip between the reporting rules of each aggregator. The gig worker or platform worker will still be named in the law. The gig worker or platform worker will not actually be protected. The Central Rules will have to clear this problem if the SS Codes promise is to become real.

VII. THE FLEXIBILITY-PROTECTION DEBATE: SITUATING THE CODES WITHIN THE EMPIRICAL LITERATURE

The tension between labour market flexibility and worker protection has existed before the 2020 Codes and is based on a large body of empirical research. In a well-known study of Indian State-level changes to the Industrial Disputes Act from 1958 to 1992 Besley and Burgess discovered that states which made the Act more protective for workers saw output, lower employment, less investment and lower productivity in formal manufacturing. At the time output in informal manufacturing grew. The study also found that stronger worker protection was linked to urban poverty.[21] The authors called this result one of the striking because it shows that labour regulation that aims to help workers can actually hurt them by moving work into the unregulated informal economy.[22] This finding remains one of the cited pieces of evidence in Indian labour economics and continues to support the argument for flexibility in the 2020 Codes.

Those who support the Codes use this research and the Government's own forecasts to argue that a simpler and more flexible framework will speed up formalisation. The Economic Survey estimates, which appear in policy discussions say that formalisation could rise from 60.4 per cent to 75.5 per cent after the Codes are fully put into place creating almost seventy-seven lakh new jobs and adding about 1.25 per cent to GDP by 2029-30.[23] Critics however point out that over eighty per cent of India's workforce is still in the sector even with the relatively flexible

[21] Timothy Besley & Robin Burgess, Can Labor Regulation Hinder Economic Performance? Evidence from India, 119(1) Q.J. Econ. 91, 91-92 (2004).
[22] Id. at 133-34.
[23] NextIAS, supra note 10 (reporting the Economic Survey's projection that labour-market formalisation could rise from 60.4% to 75.5%, generating approximately seventy-seven lakh new jobs and contributing close to 1.25% to GDP by 2029-30).

rules that already exist for small businesses. They say that flexibility alone is unlikely to drive formalisation. The truth, based on evidence probably lies somewhere in between. Flexibility may be an ingredient for formalisation but it is not enough on its own.[24] Formalisation also depends on how enforcement works, on access to credit for small firms and, on how easy it is for workers to use the welfare schemes promised by the Codes.

VIII. IMPLEMENTATION CHALLENGES AND THE INFORMAL SECTOR

Fieldwork-based accounts of how the Codesre being received on the ground add an important qualitative dimension to this debate. Drawing on work with migrant construction workers and trade unions in Gujarat Goswami documents persistent non-payment of minimum wages, precarious working environments and the chronic under-functioning of State-level unorganised workers welfare boards. Bodies that predate the Codes but on which the Codes informal-sector protections substantially depend.[25] His account cautions that the Code on Social Securitys promise to operationalise a National Social Security Board and State Unorganised Workers Welfare Boards echoes an identical mandate under the Unorganised Workers Social Security Act, 2008 which a decade and a half later remains largely unrealised in practice. A precedent that should temper optimism about the pace at which the 2020 Codes welfare architecture will translate into lived protection.[26]

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Jains assessment of the Codes implementation challenges reaches a conclusion from a doctrinal rather than ethnographic angle: uniform statutory language notwithstanding, uneven adoption of State-level rules risks producing a patchwork of de facto protection that varies by State undermining the very uniformity the codification exercise was meant to achieve.[27] This risk is compounded by the fact that the Central Rules under the four Codes remained in draft form as of 2026 open for stakeholder comment meaning that several of the substantive questions this paper raises. The precise contribution rates, for aggregators the technical content of OSH

[24] NextIAS, supra note 10 (noting that more than 80% of India's workforce remains employed in the informal sector).
[25] Pankil Goswami, Do India's Labour Codes Address Informal Workers' Needs?, India Dev. Rev. (Mar. 28, 2025), https://idronline.org/article/rights/do-indias-labour-codes-address-informal-workers-needs/.
[26] Id. (discussing the continued non-operational status of many State-level unorganised workers' welfare boards established under the Unorganised Workers' Social Security Act, 2008).
[27] Vivek Jain, The Four Labour Codes in India: Critical Analysis of Provisions and Their Implementation Challenges, 8(2) Indian J.L. & Legal Rsch. 155, 155-56 (2026), https://www.ijllr.com/post/the-four-labour-codes-in-india-critical-analysis-of-provisions-and-their-implementation-challenges.

standards and the operational detail of grievance redressal committees. Remain, at the time of writing unresolved.[28]

IX. CONCLUSION AND RECOMMENDATIONS

The four Labour Codes are the important change to Indias industrial rules since independence and their start on 21 November 2025 ends a long time of not having clear laws. Overall combining twenty-nine laws into four clear codes is a real achievement and giving legal recognition to gig and platform jobs is important. Even if it came late. Because the way people work in India has changed.. The study in this paper shows that how well the Codes help workers not just make it easier for employers will depend more on the rules, plans and ways of making sure the laws are followed that are still being decided.

Three suggestions come from this study. First the Central Rules for the Code on Social Security should fix the problem with workers who work on platforms by making sure they report their income from all platforms not just one main one. Second the new safety rules for the OSH Code should have a simpler but still required way to register for safety for places so that helping small businesses does not mean no rules at all. Third and most important the National Floor Wage and the welfare boards for workers who are not organised as mentioned in the Code on Social Security need money and a set time to start working because similar groups in the past have not been active. Without these steps the promise of the 2020 Codes might end up like other laws in India: strong words, but not enough action leaving the most at-risk workers in the same place, as before.

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[28] DLA Piper, supra note 1 (noting that the Central Rules under the four Labour Codes remained in draft, open for stakeholder comment, as of early 2026).