# LABOUR LAW REFORMS IN INDIA: AN ANALYSIS OF THE NEW LABOUR CODES

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## CHAPTER I

## INTRODUCTION

### 1.1 Introductory

The Indian workforce, throughout the course of its pre-independence and post-colonial history has witnessed a multitude of complex dynamics between employment and labour relations; labour law reforms have long been a critical yet contentious agenda for the Indian economy.

In accordance with the rapid pace of the industrial advancements in 1990s, the Indian government adopted a reform framework of liberalized and globalized economy and one of the significant consequences of it was evidently reflected in the labour market, it exposed severe limitations in the older framework of labour legislation and governance, a substantial proportion of India's workforce continues to be employed in the informal sector facing significant regulatory challenges of overlapping rules, unregulated wages, social security issues, absence of workplace mandates and difficulty in tax collection arising from unmaintained financial records by unorganised businesses and these structural deficiencies risked the global credibility of Indian labour force. It has been estimated that over ninety per cent of India's workforce remains engaged in the informal economy, which nonetheless accounts for nearly half of the country's Gross Domestic Product, underscoring the scale of the regulatory vacuum that the pre-2019 labour law framework left unaddressed.[1]

In the light of such irregularities, it was henceforth advised by the 2002 Second National Commission on Labour to reduce and rationalize plethora of labour laws and that they should be consolidated into groups such as industrial relations, wages, social security, safety, welfare, and working conditions to improve amenability and uniformity. Owing to such recommendations, the Government of India enacted the four Labour Codes between 2019 and 2020, consolidating twenty-nine Central labour legislations into a comprehensive statutory framework reform in 2020 by assimilating 29 outdated legislations into four comprehensive Labour Codes, as following:

1. Codes on Wages, 2019
2. Industrial Relations Code, 2020
3. Code on Security, 2020
4. Occupational Safety, Health and Working Conditions (OSHWC) Code, 2020[2]

The primary aim is to consolidate and rationalise provisions relating to gratuity, Employee provident fund (EPF), Employees State Insurance (ESI), and social security amongst the working force. The reforms aim to simplify compliance, enhance worker protections, expand social security, promote ease of doing business, and address modern employment forms like gig work and fixed-term contracts. According to NITI Aayog, India's gig and platform workforce stood at approximately 7.7 million workers in 2020-21 and is projected to expand to 23.5 million by 2029-30, a trajectory that has directly informed the Code on Social Security, 2020's extension of social security coverage to gig and platform workers.[3]

### 1.2 Research Objective

The Primary aims of this paper includes:

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[1]'India's Informal Economy: Over 90% Workforce, Half Of GDP' (PWOnlyIAS, 8 November 2023) <https://pwonlyias.com/current-affairs/informal-economy/> accessed 30 June 2026 (citing Periodic Labour Force Survey 2022-23, National Statistical Office).

[2]The Code on Wages 2019; The Industrial Relations Code 2020; The Code on Social Security 2020; The Occupational Safety, Health and Working Conditions Code 2020. For the consolidated text of each Code, see India Code, Ministry of Law and Justice.

[3]NITI Aayog, India's Booming Gig and Platform Economy: Perspectives and Recommendations on the Future of Work (NITI Aayog 2022) <https://www.niti.gov.in/sites/default/files/2023-06/Policy_Brief_India's_Booming_Gig_and_Platform_Economy_27062022.pdf> accessed 30 June 2026.

1.2.1. To evaluate the New Labour Codes and analyse the legislative objectives underlying their enactment.

1.2.2. To assess the effectiveness of the implementation of the New Labour Codes across different sectors of employment.

1.2.3. To evaluate whether the New Labour Codes strengthen or dilute the existing balance between the interests of employers, employees and the State.

**1.3 Hypothesis**

This study hypothesises that the New Labour Codes place greater emphasis on economic efficiency and ease of doing business than on labour welfare. It further hypothesises that certain provisions of the Codes may dilute labour welfare protections and workers' rights and may not fully align with the constitutional principles of social justice, equality, and labour welfare embodied in the Constitution of India.

**1.4 Research Question**

Key Questions involved in this research are:

1.3.1. What is the impact of New Labour Codes with respect to ease of doing business and expected effects on MSMEs.

1.3.2. Do the New Labour Codes comply with the Constitution of India, particularly the Fundamental Rights, Directive Principles of State Policy and the doctrine of proportionality.



1.3.3. How do the Indian Labour Codes compare with labour law frameworks in the United Kingdom, the United States and International Labour Organization standards with respect to labour protection, industrial flexibility and economic development?

**1.5 Statement of Problem**

The present research aims to investigate the ongoing challenges faced by the Labour work force population of the country and analyze the effects of New Labour codes over various aspects.

The Government has stated that the New Labour Codes seek to establish a framework in which workers are afforded greater dignity, while promoting industrial growth and strengthening the labour market. According to data provided by the Union Ministry of Labour & Employment, the total employment increased from 47.5 crore in 2017–18 to 64.33 crore in 2023–24, and that the unemployment rate declined from 6 per cent to 3.2 per cent during the same period. The idea of introducing the New Labour Codes has its roots in the report of the Second National Labour Commission of India, which was submitted in 2002. The report highlighted that India's labour law framework consisted of twenty-nine major Central labour legislations together with numerous State labour laws, many of which overlapped and created compliance difficulties. Apart from this, several important labour statutes governing industrial relations and working conditions originated during the colonial period and required modernisation. These laws seemed increasingly inadequate to meet the growing needs of changing economic and technological conditions that did not exist in the 1930s. Therefore, reform was not only necessary but also a legislative priority.

A tripartite committee was formed with the participation of members from the Ministry of Labour and Employment, workers, and their representatives. One of the major issues identified was the interpretation of the previous laws and the ambiguities surrounding them. The new reforms also seek to decriminalise certain offences by replacing criminal penalties, such as imprisonment, with civil penalties like fines for first-time offences.

The announcement of the enactment and phased implementation of the New Labour Codes received mixed reactions from workers' unions across the country. All major trade unions, including the Bharatiya Janata Party (BJP)-affiliated Bharatiya Mazdoor Sangh (BMS), protested against the implementation, and several general strikes were organised. A coalition of ten central trade unions subsequently organised a nationwide strike on 9 July 2025, in which the unions claimed the participation of approximately twenty-five crore workers, and a further nationwide strike on 12 February 2026 in which participation was claimed at nearly thirty crore workers, both directed primarily against the New Labour Codes.[4] The Code on Wages, 2019 extends statutory minimum wage protection to all employees instead of limiting its application to scheduled employment(s) by making them applicable to all employment. This is a significant improvement over the previous framework, under which every new employment had to be specifically added to



[4]'Central Trade Unions' Bharat Bandh Gets Underway, Over 25 Crore Workers Expected to Participate' The Wire (New Delhi, 9 July 2025) <https://m.thewire.in/article/labour/bharat-bandh-central-trade-unions-nationwide-strike-labour-codes-anti-worker-farmer> accessed 30 June 2026; 'Bharat Bandh on February 12' India TV News (11 February 2026) <https://www.indiatvnews.com/news/india/bharat-bandh-on-thursday-february-12-who-will-join-what-is-closed-and-open-what-are-key-demands-of-trade-unions-check-all-details-here-2026-02-11-1029844> accessed 30 June 2026.

the Schedule of Employments under the Minimum Wages Act, 1948.[5] While the simplification of labour legislation has been widely acknowledged by policy makers and industry bodies, concerns remain regarding practical implementation, fixed-term employment, and the provisions relating to dispute resolution.

## CHAPTER II: IMPACT OF NEW LABOUR CODES ON INDIA'S ECONOMIC AND BUSINESS ENVIRONMENT

The efforts of the central government to codify 29 laws into 4 laws is a significant legislative reform in order to increase the ease of doing business in this country, and the codification of labour legislation seeks to simplify regulatory compliance, promote digital governance and improve India's overall business environment and the path ahead to match the level of Developed countries. India has historically been characterised by a complex labour regulatory framework, resulting in significant compliance obligations for employers, and this puts us under a bad impression where employers have ordinarily encountered significant administrative and regulatory burdens arising from overlapping labour legislation. The government is intending to move towards digitalisation and switch to contemporary regulatory mechanisms for governance and compliance.

Starting with a Unified Web Portal 'Shram Suvidha' which functions as an integrated compliance platform facilitating online registration, inspections and labour law reporting under multiple labour statutes, it also integrates the compliance functions of multiple organisations under the Ministry of Labour and Employment, including:

- Office of Chief Labour Commissioner (Central),
- Directorate General of Mines Safety,
- Employees' Provident Fund Organization
- Employees' State Insurance Corporation.

The decision of renaming the nomenclature of 'inspector' to inspector-cum-facilitator is an initiative undertaken by the Government to promote the amicable relationships between the Employer and Inspector-cum-Facilitator under the Occupational Safety, Health and Working

[5] The Minimum Wages Act 1948, indiacode.nic.in (since repealed and subsumed by the Code on Wages 2019, s 69).

Conditions Code, 2020. Promoting digitalization through web-based inspection schemes, accepting information electronically, is intended to reduce procedural delays, improve transparency and simplify regulatory compliance. The Labour Codes recognise fixed-term employment as a distinct category of employment while extending several statutory benefits to fixed-term employees, the Code on Social Security, 2020 – Section 2(34) defines fixed-term employment as an employee engaged directly by the employer through a written contract for a predetermined period,[6] also shown by Industrial Relations Code, 2020 – Section 2(o) (Definition of Fixed Term Employment) which defines a fixed-term employee as a worker engaged directly by the employer through a written contract for a fixed period.[7]

The New Labour Codes also introduce greater flexibility in employment by permitting work-from-home arrangements in service sectors through mutual consent between the employer and the employee. To strengthen the dispute resolution mechanism, the Codes provide for two-member Industrial Tribunals comprising a Judicial Member and an Administrative Member, with the objective of ensuring quicker and more efficient adjudication of industrial disputes. Furthermore, where conciliation proceedings fail, industrial disputes may proceed to adjudication before the Industrial Tribunal in accordance with the procedure prescribed under the Industrial Relations Code, 2020.[8]

The Government has stated that the reforms are intended to simplify compliance procedures and reduce administrative burdens on employers. An employer appealing an order of the Employees' Provident Fund Organisation (EPFO) is now required to deposit only 12 per cent of the assessed amount, compared to the earlier requirement of 40–70 per cent, thereby facilitating access to appellate remedies. The Labour Codes permit and encourage the electronic maintenance of statutory registers, returns and other compliance records, which is expected to reduce compliance costs and enhance administrative efficiency. The Industrial Relations Code, 2020 introduces stricter regulations governing strikes with the objective of promoting industrial harmony and reducing disruptions to economic activity. Under sections 62 and 63 of the Code, prior notice before a strike is required and strikes are prohibited during specified conciliation, adjudicatory and



[6]The Code on Social Security 2020, s 2(34), indiacode.nic.in.
[7]The Industrial Relations Code 2020, s 2(o), indiacode.nic.in.
[8]The Industrial Relations Code 2020, ss 44, 53, indiacode.nic.in.

settlement periods.[9] Unlike the previous framework, these requirements extend to all establishments, not merely public utility services. The government argues that such provisions encourage dialogue and dispute resolution, thereby fostering industrial harmony and a more predictable industrial relations framework. It is, however, contended by researchers and analysts that the provisions may excessively restrict the collective bargaining power of workers and limit the effective exercise of the right to strike.

Micro, Small and Medium Enterprises (MSMEs) play a significant role in India's economic development owing to their contribution to employment, manufacturing, exports and entrepreneurship. According to the Ministry of MSME, the MSME sector contributes approximately 30.1 per cent of India's GDP, and accounts for around 45.7 per cent of the country's total exports, also it generates employment for over 28 crore people. Owing to their widespread presence, innovation, and labour-intensive nature, MSMEs play a crucial role in promoting inclusive growth, regional development, entrepreneurship, and livelihood generation across the country.

The Industrial Relations Code, 2020 enhances operational flexibility for industrial establishments by increasing the threshold for prior government permission for lay-off, retrenchment, and closure from 100 to 300 workers under Section 77.[10] Similarly, Section 28 raises the applicability threshold for Standing Orders to establishments employing 300 or more workers, exempting smaller establishments from the requirement of certification of standing orders.[11] The Government has argued that these amendments are intended to provide greater operational flexibility for MSMEs, reduce regulatory compliance, and are expected to improve operational efficiency and reduce compliance obligations while supporting industrial growth and employment generation.

The Occupational Safety, Health and Working Conditions Code, 2020 empowers the Central Government to prescribe nationally applicable occupational safety standards following consultation with the National Occupational Safety and Health Advisory Board under Section 16,[12] replacing the multiple advisory boards that existed under the earlier labour laws. The Board advises the Central Government on standards, rules, and regulations relating to occupational safety and

[9]The Industrial Relations Code 2020, ss 62-63, indiacode.nic.in.
[10]The Industrial Relations Code 2020, s 77, indiacode.nic.in.
[11]The Industrial Relations Code 2020, s 28, indiacode.nic.in.
[12]The Occupational Safety, Health and Working Conditions Code 2020, s 16, indiacode.nic.in.

health. The Code also enables the Central Government to prescribe uniform safety and health standards applicable across India, thereby reducing state-wise variations as the legislative objective is to promote greater uniformity in occupational safety standards across different States. This promotes consistency, predictability, and simpler compliance, particularly for MSMEs operating in multiple States.

Despite the potential benefits of the New Labour Codes, their implementation continues to face significant challenges, particularly for MSMEs. India has over 6.3 crore MSMEs, of which more than 99 per cent are micro and small enterprises, many operating with limited financial and administrative capacity. Low awareness of the new legal framework, the cost of digitisation and compliance, and the shortage of trained human resource professionals remain major obstacles. A large proportion of MSMEs continue to rely on informal management practices, making compliance with the new regulatory requirements difficult. Moreover, as the Labour Codes are yet to be fully implemented across all States, their actual impact on employment generation, labour welfare, and ease of doing business cannot be conclusively assessed. Indeed, the four Labour Codes were brought into force by the Central Government only with effect from 21 November 2025, more than five years after their enactment, and the Central Government and most State Governments had yet to finalise the subordinate rules necessary for their complete operationalisation.[13] Therefore, while the reforms have the potential to improve the business environment, many MSMEs are not yet adequately equipped to implement them without sustained government support, awareness programmes, and capacity-building initiatives.



## CHAPTER III: LEGAL ANALYSIS OF THE NEW LABOUR CODES

The Constitution of India is the supreme constitutional authority law of the land, and all legislation derives its authority from it. It envisages the establishment of a welfare state founded on the principles of social, economic and political justice. The country's labour laws have evolved in accordance with the constitutional vision reflected in the Preamble, the Fundamental Rights, the Directive Principles of State Policy, and the interpretations developed through judicial decisions.

[13]'Implementation of India's Four Labour Codes: Key Changes and the Road Ahead' (Lexology, 26 November 2025) <https://www.lexology.com/library/detail.aspx?g=b4d164e9-5cb6-4ff1-9bf2-1f69913438f6> accessed 30 June 2026.

Most subjects relating to labour law fall under List III (Concurrent List) of the Constitution, including trade unions, industrial disputes, employment, maternity benefits, social security, and old-age pensions, thereby empowering both Parliament and the State Legislatures to enact labour laws. The framers of the Constitution recognised that political democracy must be accompanied by socio-economic justice to achieve the objectives of the welfare state and economic equality. To realise this vision, they incorporated the Directive Principles of State Policy (DPSPs), which serve as guiding principles for governance. In the context of labour welfare, Articles 38, 39, 41, 42, and 43 are of particular significance and are often regarded as the Magna Carta of Indian labour law.[14] These provisions require the State to strive for a just social order, secure adequate livelihood, ensure humane conditions of work, provide public assistance, and guarantee living wages. Although the Directive Principles of State Policy are not enforceable by courts under Article 37 of the Constitution, they remain fundamental in the governance of the country and guide legislative policy, and hereby also the enactment and development of social welfare and labour welfare legislation in India.

The principle of social justice is embodied in Article 38 of the Constitution, which directs the State to promote the welfare of the people by securing a social order based on social, economic, and political justice. This reflects the vision of the Preamble and forms the constitutional foundation of the welfare state. Article 39 further requires the State to frame laws and policies that advance social and economic justice. In State of Mysore v. Workers of Gold Mines (1958) it was held that social and economic justice is a dynamic concept that strengthens the rule of law and gives meaning to the ideal of a welfare state.[15]

The Supreme Court has interpreted Article 39(a) in conjunction with Article 21 to recognise the right to livelihood as an integral part of the right to life. In Olga Tellis v. Bombay Municipal Corporation (1986), the Court held that the right to life necessarily includes the right to livelihood, as the two are inseparable.[16] Further, Articles 39(b) and 39(c) embody the principle of distributive justice by directing the State to ensure that material resources are distributed to serve the common

[14] The Constitution of India 1950, arts 38, 39, 41, 42, 43, indiacode.nic.in.
[15] State of Mysore v Workers of Gold Mines AIR 1958 SC 923, indiankanoon.org/doc/641562/.
[16] Olga Tellis v Bombay Municipal Corporation AIR 1986 SC 180, (1985) 3 SCC 545, indiankanoon.org/doc/709776/.

good and that wealth is not concentrated in a manner detrimental to society. These provisions constitute the constitutional basis for labour welfare and socio-economic justice in India.

Article 42 directs the State to ensure just and humane conditions of work and to provide maternity relief. Article 43 further requires the State to secure a living wage, decent working conditions, and a reasonable standard of life for workers. Together, these provisions form the constitutional foundation of labour welfare by recognising that workers are entitled to fair wages, humane working conditions, and social protection as essential components of a welfare state.

The Fundamental Rights under Articles 14, 16, and 19 provide the constitutional foundation for labour rights in India. Article 14 guarantees equality before the law and equal protection of the laws, ensuring that labour legislation is fair and non-discriminatory. Article 16 secures equality of opportunity in public employment while permitting affirmative action for disadvantaged groups. Article 19(1)(a), (b), (c), and (g) guarantees the freedoms of speech and expression, peaceful assembly, formation of associations or trade unions, and the right to practise any profession or carry on any occupation, trade, or business.[17] Collectively, these provisions protect workers' rights to organise, form trade unions, and collectively bargain, while also balancing the interests of employers and employees within the constitutional framework.

The Code on Wages, 2019 introduces the concept of a National Floor Level Wage (NFLW), below which no minimum wage can be fixed by any State. Critics argue that, unlike the earlier framework where payment below the minimum wage attracted criminal liability, the new regime weakens enforcement. Certain offences have been decriminalised by replacing criminal sanctions with monetary penalties in specified circumstances. Some scholars and trade unions argue that the reduced penal consequences may weaken the practical enforcement of labour rights protected under Article 23 of the Constitution.[18] It has been argued in legal scholarship whether the extensive rule-making powers delegated to the Executive are consistent with the constitutional doctrine prohibiting excessive delegation of essential legislative functions, as key matters such as the Floor Wage, social security, inspection mechanisms, and thresholds for layoffs are left to be determined through rules and notifications rather than by Parliament, raising questions regarding excessive delegation of legislative authority.

[17]The Constitution of India 1950, arts 14, 16, 19(1)(a), (b), (c), (g), indiacode.nic.in.
[18]The Constitution of India 1950, art 23, indiacode.nic.in; The Code on Wages 2019, indiacode.nic.in.

Critics argue that the Industrial Relations Code, 2020 imposes stricter conditions on trade union registration, recognition of negotiating unions, and the right to strike. The Code requires procedural compliance, including mandatory notice periods and restrictions during conciliation and adjudication proceedings, making lawful strikes more difficult. It is contended that these provisions may place disproportionate restrictions on workers' freedom of association and collective bargaining guaranteed under Article 19(1)(c) of the Constitution.[19]

Another criticism of the New Labour Codes concerns the Inspector-cum-Facilitator mechanism under the Occupational Safety, Health and Working Conditions Code, 2020. Sections 34 to 37 provide for the appointment, powers, and inspection scheme of Inspector-cum-Facilitators, with inspections conducted through a web-based inspection scheme prescribed by the appropriate Government. Critics argue that this may reduce the scope for effective surprise inspections, weaken the detection of labour law violations, and dilute the protection available to workers, besides being inconsistent with the spirit of ILO Convention No. 81 on Labour Inspection, ratified by India.[20] Similarly, under the Industrial Relations Code, 2020, Section 8 empowers the Registrar to verify applications for trade union registration and seek additional information.[21] However, the Code does not prescribe a specific time limit for completing the verification process or provide for deemed registration in case of delay, which may postpone the registration of trade unions and affect workers' ability to exercise their right to association and collective bargaining.

The Industrial Relations Code, 2020 has also been criticised for relaxing the safeguards relating to lay-off, retrenchment, and closure. Under Section 77, the threshold for obtaining prior government permission has been increased from establishments employing 100 workers under Chapter V-B of the Industrial Disputes Act, 1947 to 300 workers.[22] Critics argue that this reduces statutory protection for workers employed in establishments with 100–299 workers, making layoffs, retrenchments, and closures easier without prior government approval, particularly at a time when increasing automation is reducing workforce requirements.

The Industrial Relations Code, 2020 has been criticised for imposing stricter conditions on the right to strike. Section 62 extends the requirement of giving prior notice before a strike to workers

[19]The Constitution of India 1950, art 19(1)(c), indiacode.nic.in.
[20]International Labour Organization, Labour Inspection Convention 1947 (No 81), normlex.ilo.org.
[21]The Industrial Relations Code 2020, s 8, indiacode.nic.in.
[22]The Industrial Disputes Act 1947, ch V-B; The Industrial Relations Code 2020, s 77, indiacode.nic.in.

in all industrial establishments, unlike the Industrial Disputes Act, 1947, where such notice was primarily required only for public utility services.[23] The Code also increases the notice period to 60 days and prohibits strikes within 14 days of giving notice, before the notified date, during conciliation proceedings and seven days thereafter, during proceedings before an Industrial Tribunal and 60 days after their conclusion, during arbitration proceedings and 60 days thereafter, and while a settlement or award remains in operation. These procedural requirements have been criticised by several trade unions on the ground that they may make the exercise of the right to strike more difficult, particularly when read alongside Section 77, which permits establishments employing fewer than 300 workers to undertake lay-offs, retrenchments, or closures without prior government permission.

A further criticism concerns the unequal regulatory approach adopted by the New Labour Codes towards employers and trade unions. Under the Occupational Safety, Health and Working Conditions Code, 2020, Sections 3 and 4 provide for the electronic registration of establishments through a common portal, following which the registering officer may issue a certificate of registration without any mandatory pre-registration inspection of the workplace. Critics argue that this prioritises ease of doing business over verification of compliance with statutory safety standards. In contrast, under Section 8 of the Industrial Relations Code, 2020, the Registrar is empowered to seek additional documents and verify applications for trade union registration, while the Code prescribes no statutory timeline for completing the verification process. It is argued that this creates an imbalance by facilitating quicker registration of industrial establishments while delaying the recognition of workers' representative organisations.

A significant criticism of the New Labour Codes is the dilution of the special statutory protections historically available to working journalists. The Working Journalists Act had historically provided specialised service protections for newspaper employees before the consolidation of labour legislation. The Occupational Safety, Health and Working Conditions Code, 2020 repeals the Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955, which had recognised the unique role of journalists in a



[23]The Industrial Disputes Act 1947, indiacode.nic.in (since repealed and subsumed by the Industrial Relations Code 2020, s 88).

democratic society and therefore provided greater protection against arbitrary retrenchment.[24] Journalist bodies, including the Indian Journalists Union, had opposed the repeal at the bill stage, and commentary following the Code's notification has observed that, with effect from 21 November 2025, working journalists in India ceased to enjoy any sector-specific service protections for the first time since 1955.[25] Under Section 3(2) of the 1955 Act, employers were required to provide three months' notice before retrenching a working journalist and six months' notice in the case of an editor, significantly higher than the protection available to ordinary workmen.[26] Further, Section 16(2) ensured that these statutory protections could not be curtailed by contractual terms less favourable to journalists.[27] Following the repeal of the Act, retrenchment is now governed by the general provisions of the Industrial Relations Code, 2020, particularly Sections 70, 77, and 78, under which the enhanced notice period has not been retained. Although the definition of "working journalist" has been expanded to include electronic media, critics argue that the removal of these special safeguards weakens job security for journalists and increases their vulnerability to arbitrary termination. It is further contended that reducing employment protection for journalists may indirectly affect press freedom under Article 19(1)(a) by making media professionals more susceptible to economic and editorial pressure from employers.



Another significant criticism of the Industrial Relations Code, 2020 relates to the recognition of negotiating trade unions under Section 14. The Code provides that a trade union must have the support of 51 per cent of the workers in an industrial establishment to be recognised as the sole negotiating union. Where no union satisfies this threshold, a Negotiating Council consisting of representatives of trade unions with at least 20 per cent of the workers as members is constituted. Critics argue that, although the provision seeks to streamline collective bargaining, the requirement of majority membership is difficult to achieve in large establishments where multiple trade unions exist. As a result, employers may be encouraged to recognise or support multiple smaller unions,

[24]The Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act 1955, indiacode.nic.in (since repealed by the Occupational Safety, Health and Working Conditions Code 2020, s 142).

[25]'How the New Labour Codes Undid 70 Years of Labour Rights Progress of Working Journalists' (The Leaflet, 13 January 2026) <https://theleaflet.in/labour-law/how-the-new-labour-codes-undid-70-years-of-labour-rights-progress-of-working-journalists> accessed 30 June 2026.

[26]The Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act 1955, s 3(2).

[27]The Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act 1955, s 16(2).

preventing any single union from attaining majority status. Such restrictions, according to critics, could adversely affect workers' freedom of association and collective bargaining protected under Article 19(1)(c) of the Constitution and recognised under international labour standards.[28]

Another criticism of the Occupational Safety, Health and Working Conditions Code, 2020 concerns the regulation of working hours. While the Code retains the 48-hour weekly limit and provides for overtime wages, Section 25 authorises the appropriate Government to prescribe daily and weekly working hours through rules. Critics argue that this broad rule-making power has enabled certain States to propose 12-hour work shifts, pertaining to the statutory weekly limit of 48 hours and overtime compensation. Karnataka became the first State to operationalise such a regime when it amended the Factories Act, 1948 in 2023 to permit twelve-hour shifts while retaining the 48-hour weekly ceiling, whereas Tamil Nadu withdrew a similar amendment in April 2023 after sustained opposition from trade unions and allied political parties.[29] Although presented as a measure to enhance flexibility and improve productivity, such extended shifts have raised concerns regarding workers' occupational health, workplace safety and the dignity of labour protected under Article 21 of the Constitution. It is further argued that workers, particularly those employed on fixed-term or contractual arrangements, may face economic pressure to accept longer working hours while also creating concerns regarding long-term job security, thereby weakening the protective purpose of labour welfare legislation.



## CHAPTER IV: COMPARATIVE ANALYSIS OF INDIA'S LABOUR CODES WITH THE UNITED KINGDOM, THE UNITED STATES AND INTERNATIONAL LABOUR ORGANIZATION STANDARDS

### 3.1 Comparative Study with the United States

[28]The Constitution of India 1950, art 19(1)(c); International Labour Organization, Freedom of Association and Protection of the Right to Organise Convention 1948 (No 87), normlex.ilo.org; International Labour Organization, Right to Organise and Collective Bargaining Convention 1949 (No 98), normlex.ilo.org.

[29]'Tamil Nadu Govt Withholds 12-Hour Workday Bill After Protest by Unions' Business Standard (24 April 2023) <https://www.business-standard.com/india-news/tamil-nadu-govt-withholds-12-hour-workday-bill-after-protest-by-unions-123042401131_1.html> accessed 30 June 2026; 'Undermining Workers' Rights: The Push for 12-Hours Working Day' Peoples Democracy (4 June 2023) <https://peoplesdemocracy.in/2023/0604_pd/undermining-workers%E2%80%99-rights-push-12-hours-working-day> accessed 30 June 2026.

The labour law framework of the United States is considerably different from that of India. Unlike India, which has consolidated its labour laws into four Labour Codes, the United States follows a decentralised system where both the federal government and individual states enact labour laws. The principal federal legislations include the Fair Labor Standards Act, 1938 (FLSA), the National Labor Relations Act, 1935 (NLRA), and the Occupational Safety and Health Act, 1970 (OSH Act). The FLSA prescribes minimum wages, overtime pay, and restrictions on child labour,[30] while the NLRA protects workers' rights to organise, form unions, and engage in collective bargaining.[31] Notwithstanding this statutory protection, union density in the United States has continued to decline, with the Bureau of Labor Statistics recording an overall union membership rate of only 9.9 per cent in 2024, and a private sector rate of 5.9 per cent, the lowest such rate on record.[32] The OSH Act establishes workplace safety standards through the Occupational Safety and Health Administration (OSHA).[33] Compared with India, the United States labour law framework generally provides employers with greater managerial flexibility, particularly under the principle of "employment at will", employers may generally terminate employment without cause, subject to statutory, contractual and public policy exceptions. In contrast, the Industrial Relations Code, 2020 prescribes statutory procedures for retrenchment, closure, and dispute resolution. However, the United States generally provides comparatively robust administrative enforcement mechanisms through specialised federal agencies such as OSHA and the National Labor Relations Board. India's Labour Codes similarly seek to simplify compliance and improve ease of doing business, but concerns remain regarding implementation, enforcement capacity, and the protection of collective bargaining rights. Thus, while both countries aim to balance industrial growth with worker welfare, the United States places greater emphasis on enforcement, whereas India focuses on legislative consolidation and regulatory simplification.



### 3.2 Comparative Study with the United Kingdom

The labour law regime in the United Kingdom is primarily governed by the Employment Rights Act, 1996, the Trade Union and Labour Relations (Consolidation) Act, 1992, the National

[30]Fair Labor Standards Act 1938, 29 USC ss 201-219, dol.gov.
[31]National Labor Relations Act 1935, 29 USC ss 151-169, nlrb.gov.
[32]US Bureau of Labor Statistics, 'Union Members - 2024' (News Release, 28 January 2025) <https://www.bls.gov/news.release/archives/union2_01282025.htm> accessed 30 June 2026.
[33]Occupational Safety and Health Act 1970, 29 USC ss 651-678, osha.gov.

Minimum Wage Act, 1998, and the Health and Safety at Work etc. Act, 1974.[34] Similar to India's Labour Codes, these laws regulate wages, working conditions, industrial relations, and workplace safety. However, the United Kingdom provides comparatively stronger statutory protection against unfair dismissal. Employees who satisfy the qualifying period of service can challenge unfair termination before an Employment Tribunal, and employers must demonstrate a fair reason and follow a proper procedure before dismissal. This framework was substantially strengthened by the Employment Rights Act 2025, which received Royal Assent on 18 December 2025 and, among other reforms, reduces the qualifying period for unfair dismissal claims from two years to six months and removes the statutory cap on unfair dismissal compensation, reinforcing the comparatively stronger employment security available to British workers.[35] India, on the other hand, has increased the threshold for prior government approval for lay-offs, retrenchment, and closure from 100 to 300 workers under Section 77 of the Industrial Relations Code, 2020, which critics argue reduces employment security in medium-sized establishments. The United Kingdom also recognises trade unions and collective bargaining under a detailed statutory framework while balancing employers' interests through procedural safeguards for industrial action. In the field of occupational safety, the Health and Safety Executive (HSE) actively monitors compliance through inspections and enforcement actions. Although India's Occupational Safety, Health and Working Conditions Code, 2020 seeks to establish uniform national standards and simplify compliance, its effectiveness will largely depend upon implementation by the Central and State Governments. Overall, the United Kingdom places comparatively greater emphasis on employment security, institutional enforcement, and workplace safety while maintaining labour market flexibility.

### 3.3 Comparison with International Labour Organization (ILO) Standards

The International Labour Organization (ILO) has established internationally recognised labour standards through its Conventions and Recommendations, many of which have influenced India's labour legislation. The four Labour Codes incorporate several principles promoted by the ILO, including universal minimum wages, social security coverage, occupational safety, fixed-term

[34]Employment Rights Act 1996, legislation.gov.uk; Trade Union and Labour Relations (Consolidation) Act 1992, legislation.gov.uk; National Minimum Wage Act 1998, legislation.gov.uk; Health and Safety at Work etc Act 1974, legislation.gov.uk.

[35]Hogan Lovells, 'A Long and Winding Road – UK's Employment Rights Act Finally Passes' (Hogan Lovells, December 2025) <https://www.hoganlovells.com/en/publications/a-long-and-winding-road-uks-employment-rights-act-finally-passes> accessed 30 June 2026.

employment with equal benefits, and simplification of labour laws. The Occupational Safety, Health and Working Conditions Code, 2020 also reflects the objectives of ILO Convention No. 155 on occupational safety and health,[36] while the inspection framework draws from the principles of ILO Convention No. 81 on Labour Inspection.[37] Similarly, the Industrial Relations Code, 2020 recognises trade unions and collective bargaining, which are central to ILO Conventions No. 87 (Freedom of Association) and No. 98 (Right to Organise and Collective Bargaining).[38] However, several concerns have been raised regarding the extent of compliance with these international standards. Restrictions on strikes, the higher threshold for retrenchment and closure, increased executive rule-making powers, and the web-based inspection system have been criticised by trade unions as being inconsistent with the spirit of certain ILO principles. It is important to note that India has ratified ILO Conventions No. 81, 100, 111, 122, 144, 182, and the Fundamental Conventions No. 29, 105, 138, but it has not ratified Conventions No. 87 and No. 98 relating to freedom of association and collective bargaining. Therefore, while the New Labour Codes move towards greater uniformity and modernisation, debates continue regarding their consistency with international labour standards and best practices.

## CONCLUSION

The labour policy of India in spirit aims to prioritize economic development via efficient frameworks and policies, it is an ever evolving subject matter and at the very core of its interests lies social justice, industrial harmony, measures to proliferate investments and create an expansive job market. While many progressive countries like the UK, USA and Germany had compressed and merged their labour laws to simplify regulatory and executionary workload, India had fallen steps behind continuing in a regime where the laws overlapped, contradicting becoming rigid and difficult to navigate. In the light of all such irregularities the government of India consolidated all the labour laws into four comprehensive Labour Codes:

1. Code on Wages, 2019
2. Industrial Relations Code, 2020

[36]International Labour Organization, Occupational Safety and Health Convention 1981 (No 155), normlex.ilo.org.
[37]International Labour Organization, Labour Inspection Convention 1947 (No 81), normlex.ilo.org.
[38]International Labour Organization, Freedom of Association and Protection of the Right to Organise Convention 1948 (No 87), normlex.ilo.org; International Labour Organization, Right to Organise and Collective Bargaining Convention 1949 (No 98), normlex.ilo.org.

3. Code on Social Security, 2020
4. Occupational Safety, Health and Working Conditions Code, 2020

In conclusion, the government has aimed to enhance the ease of doing business, promote digitalization, and expand social security coverage, universalisation of wages, laws related to child labour and maternity benefits, while also attempting to address the needs of a rapidly evolving workforce that includes gig and platform workers, and all such promising advancements however still pose the most challenging controversies. Critics have validly argued about certain provisions like that of IRC, 2020 which may indirectly suppress the freedom of speech, and dilute the right to strike which could easily dampen the negotiation and bargaining power of employees, alongside such concerns it was further discovered that the vulnerability also extends to employment stability, as was contended that establishments with fewer than 300 employees are now permitted to undertake closures or downsize without any prior government permission, the entirety of all such exploitative provisions are well against constitutionally granted fundamental rights of speech, freedom of expression and the right to strike to every citizen.

The comparative analysis with UK, US, and ILO standards shows that India's reforms align with global trends towards simplification and flexibility, however there are huge obstacles in the great vision, and it is the question of how the implication of these codes would impact India's investment market, or whether the trade unions are satisfied with such strict regulations, delay in recognition and increased restrictions which collectively hampers the workers rights in India.

Ultimately, the success of India's new labour codes will depend on effective implementation, and enforcement and appropriate grievance redressal mechanisms allowing for all such inconsistencies faced by the workers to be rightfully heard and given remedy to; along with ongoing dialogue between workers, employers and the government to facilitate industrial prosperity and social justice to exist. If all such efforts are sustained in their best capacity, it will undoubtedly greatly leverage India's position in the labour market at an international level, while also catering to domestic excellence in the field.