

New Labour Laws, Old Realities: How India's Labour Codes Shape Youth Employment

On a humid July morning in an Industrial Training Institute on the outskirts of Patna, a welding instructor pauses mid-demonstration and asks his trainees a question they do not expect. *"You know how to bevel a joint,"* he says, *"but do you know what will happen to your overtime, your safety, your contract when you walk into a factory next year?"* The answer now lies in four labour codes quietly reshaping the world these trainees are entering.

From Colonial Mills to ITIs

In the early decades of industrialisation, Indian workers learned their trades on the shop floor of cotton mills and jute factories, with little formal training and even less legal protection ([LawBhoomi, 2025](#)). The first factory laws under colonial rule set limits on hours and child labour, but they were framed as commercial adjustments rather than rights anchored in human development ([NCIB, n.d.](#)).

After Independence, the Constitution's commitment to social and economic justice slowly translated into a dense web of statutes covering wages, disputes, safety, social security, and contract labour. As public Industrial Training Institutes, apprenticeship schemes, and later modular vocational courses expanded, they operated alongside nearly forty central labour laws, which collectively defined what a "job" meant for graduates ([PRS Legislative Research, 2025](#)).

Through the 1990s and 2000s, two parallel conversations converged. One focused on employability and skills as India liberalised, with schemes like the Craftsmen Training Scheme and later PMKVY attempting to match training with market demand. The other questioned whether overlapping laws were pushing employers away from formal hiring and eroding the very protections those laws were meant to guarantee.

When 29 Laws Became Four Codes

The Second National Commission on Labour argued as early as 2002 that India needed a smaller number of comprehensive labour codes to reduce multiplicity and improve compliance ([PRS Legislative Research, 2025](#)). Nearly two decades later, Parliament enacted [four overarching codes](#) on wages, industrial relations, social security, and occupational safety and health, subsuming twenty-nine central laws.

On 21 November 2025, the Ministry of Labour and Employment notified that all [four codes had come into force](#), calling it a "historic step" to modernise labour governance, expand social security, and simplify compliance. Framed as the New Labour Code for New India, the reform introduced *"one registration, one licence and one return"* along with easier access to wage protection, health benefits, and social security for workers.

Researchers note both the ambition and tension in this move. The main challenge is to "facilitate employment growth while protecting workers' rights," especially in small firms and an economy dominated by informal and contractual work ([PRS Legislative Research, 2025](#)). Studies argue that while consolidation brings clarity, many protections now depend on how governments frame rules and enforce them ([More, 2024](#); [Shukla, 2025](#)).

Codes In the Classroom: Wages, Security, and Skills

In a welding workshop, the first code that matters to trainees is the Code on Wages, 2019. It universalises the right to minimum wages and timely payment for all workers and introduces a national floor wage to guide state minimum wages. For graduates of ITIs and short-term National Skills Qualification Framework courses, this means that whether they join a small fabrication unit or a large auto plant, the law recognises their right to a minimum wage in a clearer, more uniform way.

However, legal entitlement alone does not guarantee fair pay in fragmented labour markets where many vocationally trained workers start their careers. Analyses of Indian labour laws find that weak enforcement, complex procedures, and low legal awareness have historically limited access to remedies ([Bhauguna, 2023](#)). For skilling institutions, this places new emphasis on labour literacy alongside technical competence. Trainers now explain wage slips, statutory deductions, and grievance channels as part of preparing workers for the post-code era ([Shukla, 2025](#)).

The [Code on Social Security, 2020](#), attempts to bridge the gap between apprenticeship and long-term, portable social security. It merges laws on provident fund, state insurance, gratuity, maternity benefits, and unorganised workers into a single framework, explicitly recognising gig and platform workers as potential beneficiaries. For a trainee driving for a ride-hailing platform at night while attending classes by day, the possibility that aggregators may contribute to future social security is more than a legal detail. It shapes decisions between formal employment and platform work ([Goswami, 2023](#)).

Studies also caution that the social security code leaves many design questions to later rules and schemes. Without clear contribution formulas, coverage mechanisms, and grievance redress, inclusion for informal and gig workers may remain partial ([Kale & More, 2023](#); [Jus Corpus, 2024](#)). For vocational training ecosystems increasingly placing candidates in gig roles, the quality of eventual implementation will determine whether such placements provide security or long-term precarity ([Goswami, 2023](#)).

Industrial Relations and the Politics of Skill

If wages and social security define how work is rewarded, the Industrial Relations Code defines how workers, employers, and the state negotiate change. The code consolidates laws on industrial disputes, trade unions, and standing orders, while raising the threshold for government approval of retrenchment, layoff, and closure from one hundred to three hundred workers ([Jus Corpus, 2024](#)). Studies argue that this shift, combined with expanded fixed-term employment and stricter strike rules, tilts bargaining power toward employers and may increase job insecurity in medium-sized manufacturing units ([Kale & More, 2023](#)).

For vocational trainees, this is tangible. A fitter on a fixed-term contract in a 250-worker plant can now be cycled in and out while the employer stays within the approval threshold ([Jus Corpus, 2024](#)). Fixed-term contracts can, in principle, bridge into stable employment if they ensure parity of benefits and structured training, but they can also create a revolving-door model that discourages investment in worker skills ([None, D. S. K. G. & None, M. S. T., 2025](#)). For skilling providers under schemes like PMKVY, this produces tension between placement numbers and quality. Short contracts in high-turnover units count as “success” in dashboards but offer limited learning or career progression.

The Industrial Relations Code also introduces a reskilling fund, financed by employer contributions equal to fifteen days of wages for each retrenched worker, intended to support retraining. This only

becomes meaningful if linked to actual training providers and labour-market information systems, rather than remaining a ledger entry ([Legal Reform as a Driver of Socioeconomic Development, 2025](#)). For vocational institutions, this presents an opportunity to deliver short, targeted upskilling aligned with local demand when workers lose jobs to automation or business cycles.

Safety, Mobility, and the Pedagogy of Work

The [Occupational Safety, Health and Working Conditions Code](#) addresses the environments in which vocational graduates apply their skills. It consolidates thirteen laws on factories, mines, plantations, contract labour, and inter-state migrant workers, standardising norms on hours, appointment letters, health checks, and welfare facilities. It caps the work week at forty-eight hours, allows flexible daily scheduling within that limit, and clarifies conditions for women working night shifts.

For trainees in high-risk trades such as construction, electrical work, and welding, these provisions could mean more predictable shifts, better protective equipment, and stronger rights to refuse unsafe work. Yet empirical studies consistently find gaps between written norms and practice, especially in small establishments and informal sites where many vocationally trained workers start ([Bhauguna, 2023](#)). The code's reliance on "facilitator" inspections and self-certification raises concerns that safety risks may go underreported without adequately staffed inspectorates and empowered worker representatives ([Legal Reform as a Driver of Socioeconomic Development, 2025](#)).

New state and national databases for migrant and unorganised workers open up previously unavailable possibilities. Registration can link with portability of ration benefits and access to welfare schemes when workers move for seasonal or contractual employment. For vocational institutes sending students to other states, pre-departure orientation on registration, e-portals, and social security numbers becomes as important as demonstrating a perfect weld. The pedagogy of vocational training now includes identity, mobility, and digital documentation alongside technical skills ([PRS Legislative Research, 2025](#)).

A New Social Contract for Skills

As trainees in Patna pack up, the instructor gestures to a faded poster listing rights under the old Factories Act and Minimum Wages Act. *"This is history now,"* he says, *"but what it stands for is not."* The four labour codes aim to deliver that promise in a cleaner, more navigable form, extending statutory protections to workers previously outside the formal net while making compliance easier for enterprises.

Academic and policy research warns that consolidation alone cannot resolve the deeper political economy of precarious work and segmented labour markets, particularly for youth moving between training centres, short contracts, and gig platforms. For India's vocational training ecosystem, the codes present both constraints and opportunities. They narrow some corridors of collective bargaining and state oversight while opening new spaces for social security design, reskilling, and labour literacy. Whether this becomes a story of dignity through skill or of "skilled yet precarious" workers will depend on how trainers, unions, employers, and the state write the next chapters together

Author: Snigdha Sony, Program Development Team

(Views are personal)