

Transformation of Labour Laws in India: From 29 Acts to 4 Codes

Introduction

Empowering workers is necessary to have an empowered, prosperous and Atmanirbhar Bharat. India had 29 different central labour laws which were created in different years, having amendments only in 1923, 1936, 1947, 198. All laws were clashing with each other. Now the government has combined and reorganized all these 29 old laws into just 4 new labour codes. This process of showing which old laws are merged into which new code is called integration.

The Four New Labour Codes

The Code of Wages, 2019

The Code on Wages, 2019 is an important law reform started by the Government of India. Earlier, there were many different labour laws in different language, rules, and definitions, which created confusion. To make labour laws simple, clear, and uniform, the Government introduced the Code on Wages. It brought important changes like fixing minimum wages, ensuring timely payment of wages, and giving equal wages for equal work.

- Payment of wages act 1936.
- Minimum wages act 1948.
- Payment of bonus act 1945.
- Equal remuneration act 1976.

National uniform rules mean that basic terms like “wages,” “employee,” and “employer” have the same meaning all over India. A minimum wage is now fixed that applies across the whole country. Overtime work must be paid at double the normal wage rate. Online systems are used for registration, inspection, and record keeping. There is a clear rule for equal pay, so men and women get the same wages for the same work.

The Industrial Relation Code 2020

The Industrial Relations Code, 2020 is one of the four major labour codes introduced by the Government of India. It was brought to update and modernize India’s labour laws. This Code combines and replaces earlier laws such as:

- Trade Unions Act, 1926
- Industrial Employment (Standing Orders) Act, 1946
- Industrial Disputes Act, 1947

Three separate codes combined into one. The registration process for trade unions has been clarified. A union with 51% membership becomes the negotiating body, otherwise, a negotiating council is formed from unions with at least 20% representation. Companies need government permission to conduct layoffs or closures, which only applies if they have a workforce of more than 300 employees. Mandatory women’s representation in grievance bodies.

The code on social security, 2020

With the code on social security of 2020, India's its main goal is to bring all social security benefits under one single law to make more accessible for workers.

- Employees compensation act, 1923
- Employees state insurance act, 1948
- Employees provident fund act, 1952
- Employees exchange act, 1959
- Maternity benefits act, 1961
- Payment of gratuity act, 1972
- Cine workers welfare fund act, 1981
- Building and construction works welfare cess act, 1996
- Unorganised works social security act, 2008

All the old social security laws have been combined to create a new social security code. Because of this, workers from platforms such as Swiggy, Zomato, Uber drivers, and unorganized sector companies will now receive benefits. Both employers and employees will have to contribute, and for this a digital system has been introduced. The National Social Security Board will work for platform workers, monitor and regulate the system at the government level. Under the revised payment of gratuity provisions, fixed-term employees will be eligible for gratuity benefits after completing their period of service. To avail social security benefits, an Aadhaar-based registration system has been made available.

The Occupational Safety, Health and Working Conditions Code, 2020

The code provisions can apply even to establishments with a single employee if work involves high risk. This code focuses on improving the safety, health and working condition of works across various sectors.

Key features of OSHWC code, 2020

Single law instead of 13 different laws, some major laws merged into this code include:

- Factories act, 1948
- Mines act, 1952
- Contract labour (regulation and abolition) act, 1970
- Inter-state migrant workmen act, 1979
- The building and other construction workers act, 1996

All establishment must register online on a national portal making easier and fully digital. This code uniformly regulates important aspects such as digital registration for all establishments, a safe working environment, hygiene, working hours, overtime, safety measures for women employees, facilities for migrant workers, rules for contract labour, and special provisions for hazardous industries. In short, this code is a comprehensive law designed to ensure safe, clean, humane, and modern working conditions across industries.

Potential disadvantages/Shortcomings

Loss of sector-specific protection

In India's older labour laws, industries such as mining, factories, construction, and plantations had special, sector-specific safety provisions. Since each industry involved different risks and unique work patterns, dedicated rules were laid out for them such as safety standards, inspection methods, controls on hazardous processes, and specific focus on work conditions. When all these diverse industry-specific laws were merged into a single, uniform labour code, many subtle and crucial protections were reduced, weakened, or in some cases completely lost. A "one-size-fits-all" framework failed to address these specialised needs. As a result, workers employed in hazardous industries may now face greater safety risks, weaker inspection systems, and reduced sector-specific protections.

Reduction of procedural safeguards

Under the earlier labour laws, workers had strong procedural safeguards such as clear inquiry rules, proper mechanisms for resolving disputes, mandatory notices, the right to representation, and fixed timelines for handling grievances. These procedures ensured that if any worker faced injustice, they had a transparent and structured path to seek remedy. In the new labour codes, many of these well-established and time-tested procedures have been reduced or narrowed in the name of simplification. Some protections have become optional, some have become ambiguous, and some now depend heavily on administrative discretion. As a result, workers today have fewer avenues to challenge unfair practices, especially those who do not have access to legal assistance. This weakens the overall protective framework, shifts the balance of power towards employers, and can make effective defence and representation more difficult for workers.

Inadequate protection for informal / gig workers

Even though India's new labour codes mention informal, gig, and platform workers, the legal protection they are supposed to receive is still not effectively provided. There is a lack of clarity and strength regarding their actual rights, social security, benefits, and enforcement mechanisms. As a result, gig and informal workers continue to face issues such as lack of proper job verification or stability, absence of fixed wages, poorly structured social security systems, and unstable working conditions. This means that a large segment of India's workforce remains excluded from effective labour protection, increasing the risk of injustice, exploitation, and income insecurity for these workers.

Legal ambiguity

The provisions of the law are unclear, incomplete, or capable of being interpreted in multiple ways. When a rule is not precisely worded, different authorities, employers, or workers may interpret it differently. This creates confusion, causes problems in decision-making, makes it difficult to find solutions, and complicates the enforcement of rights. If such ambiguity exists in labour laws, workers face difficulties when seeking protection, because unclear provisions can be used to delay, deny, or weaken their rights.

Centralization weakens local protection

The centralized decision-making power, labour law authority, and enforcement capability of state governments and shifting more of it to the central government. When labour policies become highly centralized, states lose the ability to create or maintain separate and stronger protections based on their regional industries, local conditions, or specific worker needs. This can increase difficulties arising from important local issues. States that previously had progressive or stricter protective regulations are now required to follow relatively weaker, uniform national standards. In such situations, local workers receive reduced protection, and the vulnerable workforce in certain regions may face greater risks or increased insecurity.

Conclusion

The labour laws were combined into new labour codes to simplify and modernize the system. However, this has also created problems like unclear rules, weaker worker protections, and enforcement gaps. Therefore, the government must implement these codes carefully and with consultation to ensure that workers' rights are not reduced and future problems are avoided.

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