

Indian Labor Laws

The Ministry of Labor and Employment (MoL&E) has categorised all existing labor laws into four “Labor Codes”, following the recommendation of the 2nd National Commission of Labor. This categorisation is a welcome step to simply current legislations across a variety of labor issues.

The Code of Wages 2019:

- Payment of Wages Act, 1936
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Equal Remuneration Act, 1976

Key reforms include expansion of coverage from scheduled category to all kinds of employment in formal and informal sectors. Extension to cover all workers/employees income rather than just whose income falls under a predetermined ceiling. Provision of autonomy to state administrations to determine and set a suitable minimum wage rather than following the set formula by ILC (Indian Labor Conference) 1957. Extension of protection to transgender communities by replacing ‘man’ and ‘woman’ by ‘gender’ for equal pay.

The Occupational Safety, Health and Working Conditions Code 2020:

The Code covers 13 legislations concerning health and safety of workers. It stipulates setting up of ‘Safety Committees’ with equal representation from employers and employees. It further directs Union and State governments to maintain a database of all inter-state migrants.

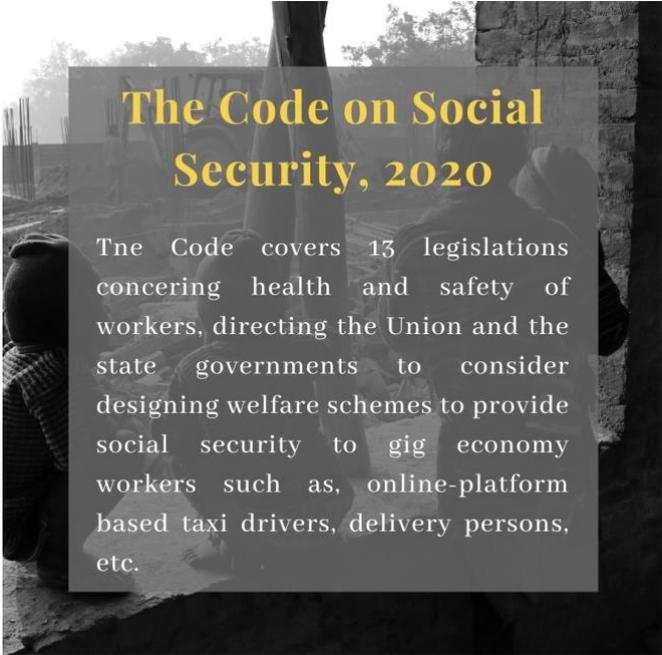
It also gives provisions to access the benefits of the Public Distribution System (PDS) to all inter-state migrants. Provisions are also made of using funds collected through fines imposed under the Code for social security fund dedicated to migrant workers.

The Code on Social Security, 2020:

The Code covers 13 legislations concerning health and safety of workers, directing the Union and the State governments to consider designing welfare schemes to provide social security to gig economy workers such as online-platform based taxi drivers, delivery persons, etc.

Key reforms include the retentions of provisions under The Unorganised Workers’ Social Security Act, 2008. It allows Union and State governments to frame suitable welfare schemes on matters relating to life and disability cover, health and maternity benefits, old age protection, and education for unorganised workers, gig workers and platform workers.

Lastly, it stipulates the formation of national and State-level Social Security Boards.



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The Industrial Relations Code, 2020:

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

Key reforms are that workers must submit a 60 day notice before any strike. Legal mandate for companies with more than 300 workers (previously 100) to take permission from the Union or State governments before trying to lay off workers.

It further makes provisions for companies to directly hire workers on short-term contracts instead of hiring through a contractor. It additionally makes provisions for companies to directly hire workers on short-term contracts instead of hiring through a contractor.

References:

<https://cprindia.org/research/reports/social-security-informal-workers-india>