



The Indian Journal for Research in Law and Management

Open Access Law Journal – Copyright © 2025

Editor-in-Chief – Dr. Muktai Deb Chavan; Publisher – Alden Vas; ISSN: 2583-9896

This is an Open Access article distributed under the terms of the Creative Commons Attribution-Non-Commercial-Share Alike 4.0 International (CC-BY-NC-SA 4.0) License, which permits unrestricted non-commercial use, distribution, and reproduction in any medium provided the original work is properly cited.

Labour Laws in India: What They Mean for Millions of Workers

BHAT YAQOOB SHAFI

INTRODUCTION

India has one of the largest workforces in the world. Millions of people go to work every day in factories, offices, fields, construction sites, and small shops. But not everyone who works is protected in the same way, and not everyone even knows what protections exist.

Labour laws are basically the rules that decide how workers should be treated. They set limits on working hours, fix minimum wages, make workplaces safer, and give workers the right to speak up if something goes wrong. Without these laws, employers could easily take advantage of people who have no other choice but to work.

I became more interested in this topic after seeing the condition of many workers during the **COVID-19** period, when a large number of labourers suddenly lost work and had very little support. Even recently, during tensions related to **the Iran-Iraq and Israel region**, some boys working in small hotels and local businesses were left sitting idle because of gas shortages and reduced work. Situations like these made me realise how strongly the lives of ordinary workers are affected by employment conditions and legal protection. This blog is an attempt to understand labour laws in a simple and practical way.

MEANING OF LABOUR LAWS

Simply put, labour laws are a set of rules that define how employers and employees should deal with each other. They cover things like how much a worker should be paid, how many hours they can be asked to work, what happens if they get injured on the job, and how disputes between workers and companies should be handled.

In India, both the central government and state governments have the power to make labour laws. This is why you will sometimes find different rules in different states for the same kind of work. The laws apply to different sectors, manufacturing, mining, construction, services but the reality is that workers in the unorganised sector (think daily wage labourers or domestic workers) often fall outside proper legal protection.

IMPORTANT LABOUR LAWS IN INDIA

There are dozens of labour laws in India, but a few stand out as particularly important.

The Factories Act, 1948 was one of the first laws to set real standards for factory workers. It limits working hours to 48 per week, requires clean and safe working conditions, and makes rest intervals mandatory. It also has special rules for women and young workers.

The Minimum Wages Act, 1948 does exactly what the name suggests, it sets a floor below which no employer can legally pay a worker. The actual minimum wage varies by state and type of work, which is a bit of a problem in itself.

The Industrial Disputes Act, 1947 deals with strikes, lockouts, and layoffs. It creates a process for resolving conflicts between workers and management without things getting out of hand. Larger companies need government permission before laying off workers in bulk, which protects workers from sudden job loss.

The Contract Labour Act, 1970 was brought in because many companies started using contract workers through middlemen to avoid giving them proper benefits. This law regulates those arrangements.

The Maternity Benefit Act, 1961, amended in 2017, gives women workers paid leave of 26 weeks after childbirth, along with some other protections. This was definitely an important step, even if enforcement remains patchy in many private workplaces.

RIGHTS OF WORKERS

Workers in India have a number of legal rights, though getting them enforced is a different story.

One of the most basic rights is the right to receive at least the minimum wage. No matter what kind of work someone does, their employer cannot legally pay them less than the fixed minimum. Along with this, workers have the right to a safe and healthy workplace — which includes proper ventilation, clean facilities, and protection from hazardous conditions.

Workers also have the right to form trade unions. This is important because without collective bargaining power, individual workers can rarely negotiate fairly with large employers. Unions give workers a voice.

Then there are social security benefits, things like the Employees' Provident Fund (EPF), Employees' State Insurance (ESI), and gratuity. These are meant to provide financial support during illness, retirement, or job loss. Again, these protections mostly apply to workers in the formal sector. Someone working at a construction site on daily wages often does not get any of this.

Child labour and forced labour are also prohibited under law. The Child Labour (Prohibition and Regulation) Act bans employing children in hazardous occupations, though violations still happen in practice.

RECENT REFORMS: THE FOUR LABOUR CODES

One of the biggest changes in recent years is the effort to simplify India's labour law system. For a long time, India had nearly 29 different central labour laws, each with its own rules and forms and compliance requirements. This made things complicated for both employers and workers.

Earlier, India had many separate labour laws, which made the system confusing for both employers and workers. To deal with this, the government combined many of these laws into four Labour Codes between 2019 and 2020.

This was presented as a way to simplify labour regulation and bring more workers into the formal system. These four Labour Codes were: the Code on Wages, the Code on Industrial Relations, the Code on Occupational Safety, Health and Working Conditions, and the Code on Social Security.

At least on paper At least on paper, the idea was to simplify the system and make labour laws easier to manage. The government also said the new Codes could help bring more workers into the formal system. Some protections were extended to gig and platform workers as well, which older labour laws had not properly addressed.

At the same time, not everyone agrees that these reforms will help workers in practice. Many trade unions and labour rights groups have raised concerns that some of the changes particularly around retrenchment and fixed-term contracts make it easier for companies to let workers go. Even though the Labour Codes have already been passed, their implementation has moved slowly. One reason is that states still need to prepare their own detailed rules before the system fully starts working, largely because states need to frame their own rules under them.

PROBLEMS AND CHALLENGES

Knowing what the laws say is one thing. The bigger question is whether they actually work.

India's labour market is dominated by the informal sector, where many people work without written contracts, registration, or benefits. By most estimates, around 90% of India's workforce is informal. These workers are technically outside the protection of most labour laws, or at least outside effective enforcement.

Enforcement is a real issue. Labour inspections are supposed to happen regularly at workplaces, but in practice, there are not enough inspectors, and small establishments often go years without any check. There are also reports of corruption at the inspection level, though that is hard to quantify.

Migrant workers are among the most vulnerable. They often do not know the laws of the state they are working in. They may not speak the local language. They do not have a permanent address to file complaints. For example, many daily wage workers in areas around Delhi work at construction sites without fully knowing what rights they have regarding wages, safety, or working hours. In many cases, they just accept whatever conditions are given because they need work urgently and are not aware of the legal protections available to them. During the COVID-19 lockdowns in 2020, the situation of migrant workers became impossible to ignore thousands walked hundreds of kilometres because there was simply no protection in place for them.

Gender pay gaps also remain a persistent problem. The Equal Remuneration Act requires equal pay for equal work regardless of gender, but violations are common and rarely challenged.

CONCLUSION

Labour laws in India cover a lot of ground wages, safety, disputes, social security, and more. On paper, India has many laws meant to protect workers. The real challenge has always been making it work for the people who need it the most, particularly those in the informal economy. A lot of workers still do not fully know what legal rights they actually have, especially in smaller towns and informal sectors.

The recent reforms through the Labour Codes show that there is effort being made to modernise the system. Whether those reforms actually improve conditions for workers on the ground is something that will take time to see.

What this topic taught me is that law and reality do not always match. That gap between what the law says and what actually happens, is where a lot of the important work still needs to be done.

Reading about labour laws also made me realise that many people work for years without fully understanding what protections the law actually gives them.