

Govt plans to implement all four labour codes in one go, likely in 2020

Somesh Jha | New Delhi Last Updated at December 20, 2019 06:17 IST

The government is planning to implement all the four labour codes on a single date later next year, a senior labour and employment ministry official said.

“The thinking within the government is that a single date for the implementation of all the four labour codes will be fruitful because it will ensure uniformity and will lead to an efficient execution,” the official said.

After being re-elected in 2019, the Narendra Modi-led National Democratic Alliance (NDA) government has expedited its plans of reforming the labour laws. While the labour code on wages has already become a law, the remaining three codes each on industrial relations, social security and welfare, and occupational safety, health and working conditions have been introduced in the Lok Sabha. After all the four codes become law, industry will have to apply for a single registration for labour laws, instead of the need to do eight separate labour law registrations.

However, the government’s latest move towards a uniform date for the implementation of labour laws will mean that the implementation of the Code on Wages Act, 2019, could face delay by at least one year from when it became a law.

Though the code has become an Act in August, the government is yet to issue a separate order notifying the date of its implementation.

The code’s main feature was to ensure minimum wages to workers across sectors. The previous minimum wages law was only applicable to a few industries and establishments. A later date of implementation of the Code on Wages Act will also imply that the industry may get some relief from a rise in its wage bills due to any possible hike in the minimum wages.

The official explained that the consolidation of 36 labour laws into four codes will result in the harmonisation of various key definitions related to wages, employees, employers, and workplace, among others. "If basic concepts such

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as what will constitute wages vary across labour laws, it may lead to confusion and arbitration," the official said.

However, some industry representatives criticised the move and said it would "postpone the labour law reforms". "All good moves do not have to happen together. I don't agree with the government's myopic view. The code on wages Act clearly defines wages, overtime and other such concepts so why should it wait for other Bills to become a law?" Pradeep Bhargava, president of the Maharashtra Chamber of Commerce said.

Bhargava added that the intent of the government to push for labour law reforms would be nullified as some labour Bills may even take more than a year to become an Act. It took exactly two years for the code on wages Bill, which was introduced in Lok Sabha in August 2017 and subsequently referred to a standing committee, to become a law. The standing committee had submitted its report in December 2018.