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"NEW LABOUR CODE AND ITS IMPACT ON INDIAN RAILWAYS LABOUR: A CRITICAL STUDY WITH SPECIAL REFERENCE TO SAFETY AND WAGES"

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ABSTRACT

India's four New Labour Codes — the Code on Wages, 2019; the Industrial Relations Code, 2020; the Code on Social Security, 2020; and the Occupational Safety, Health and Working Conditions (OSHWC) Code, 2020 — became effective on 21 November 2025, consolidating 29 central labour statutes. Indian Railways, as the country's largest public-sector employer, occupies a distinctive position under this new framework: it is treated as a "carrying on industry" under the Industrial Disputes framework, subject to the Essential Services Maintenance Act (ESMA), and staffed largely by safety-category employees such as loco pilots, station masters, and trackmen whose working conditions directly bear on passenger and freight safety. This paper critically examines the implications of the New Labour Codes for Indian Railways employees, focusing specifically on (a) occupational safety, given persistent concerns over staff shortages, excessive duty hours, and fatalities among track-maintenance staff, and (b) wage structure, given the interplay between statutory floor wages, Pay Commission awards, and productivity-linked allowances. Using a doctrinal-cum-analytical method, the study finds that while the Codes theoretically enhance wage floor protections and formalize safety obligations, their practical impact on Railways is constrained by (i) continued reliance on Railway-specific service rules, (ii) unresolved staff vacancies, and (iii) ambiguity in rule notification and enforcement machinery. The paper concludes with policy recommendations for harmonizing the Codes with Railway service conditions to strengthen both safety outcomes and wage adequacy.

KEYWORDS: *Paniya women; maternal health; Wayanad; tribal healthcare; structural barriers; reproductive health.*

1. INTRODUCTION

Indian Railways employs over 1.2 million workers and remains one of the largest employers globally. Historically, Railway labour has been governed by a hybrid regime: general labour legislation (Factories Act, Industrial Disputes Act, Minimum Wages Act, etc.) operating alongside Railway-specific statutory instruments such as the Railways Act, 1989, Railway Establishment Manual, and Railway Board circulars on hours of employment (Hours of Employment Regulations, 1961, framed under Section 71 of the Railways Act).

The consolidation of 29 central labour laws into four Codes — announced via Gazette notification and Press Information Bureau release dated 21 November 2025 — represents the most significant labour law reform since Independence. For an organisation like Indian Railways, whose workforce spans safety-critical categories (loco pilots, guards, signal & telecom staff, permanent-way/track maintainers), technical categories, and a large contractual/casual labour segment (particularly in construction, catering, and maintenance outsourcing), the Codes raise important questions:

- Do the new wage provisions (statutory floor wage under Section 9 of the Code on Wages) meaningfully improve remuneration security for Railway's lower-cadre and contractual staff?
- Does the OSHWC Code's consolidation of safety obligations translate into enforceable safety standards for track and running staff, who continue to face high-risk working conditions?
- Do the Industrial Relations Code's altered thresholds for retrenchment approval, recognition of negotiating unions, and strike notice requirements affect the collective bargaining power of AIRF and NFIR — Railways' two Group-A recognised unions?

This study undertakes a critical, safety-and-wage-focused examination of these questions, situating Indian Railways within the broader transition from a 29-Act regime to a 4-Code regime.

1.1 Statement of the Problem

Despite reform intentions of "ease of compliance" and "worker welfare," concerns persist that the Codes may dilute certain protective standards (e.g., raised thresholds for prior government approval before retrenchment, expanded fixed-term contract provisions) even as they claim to expand coverage. For a safety-sensitive public utility like Railways, any dilution in staffing/safety obligations carries direct implications for accident risk — a concern amplified by recurring incidents involving overworked track-maintenance ("trackmen") staff.

1.2 Objectives of the Study

1. To examine the key provisions of the four New Labour Codes relevant to Railway employment.
2. To critically analyse the impact of the Codes on wage determination and adequacy for Railway employees across cadres.
3. To assess the impact of the OSHWC Code on occupational safety standards and practices in Indian Railways, with special focus on safety-category staff.
4. To evaluate the response of Railway trade unions (AIRF, NFIR) to the Codes.
5. To recommend policy and administrative measures for effective, worker-protective implementation of the Codes within Railways.

1.3 Research Questions

- RQ1: How do the Code on Wages provisions on floor wage and timely payment affect Railway wage structures, including outsourced/contractual staff?
- RQ2: To what extent does the OSHWC Code address (or fail to address) railway-specific safety hazards such as track-maintenance risk, night-duty fatigue, and staff shortages?
- RQ3: What has been the response/resistance of Railway employee unions to the Codes?
- RQ4: What gaps exist between Code provisions and actual implementation within Railway administrative practice?

1.4 Hypotheses (for empirical section)

- H1: The New Labour Codes have not significantly altered actual wage realisation for contractual Railway workers due to continued dependence on state-notified minimum wages.
- H2: OSHWC Code provisions have had limited operational effect on Railway safety practices due to the continuance of Railway-specific safety regulations and staff shortages.

1.5 Significance and Scope

The study is significant because Railways is simultaneously (a) a model public employer subject to Pay Commission wage revisions, and (b) an entity now formally brought within the ambit of general labour Codes for provisions relating to IR, SS, and OSHWC (Railways, including metro railways, is explicitly covered under these three Codes with the Central Government continuing as "appropriate government" [as per KPMG 2026 industry note]). The scope is limited to India, post-notification period (21 November 2025 onward), covering both permanent Railway employees and contractual/outsourced labour.

2. LITERATURE REVIEW

2.1 Evolution of Indian labour law and rationale for codification (Second National Commission on Labour, 2002 recommendations).
2.2 Scholarly critique of the four Labour Codes — debates on flexibility vs. worker protection (see India Forum, Feb 2026, on precarity concerns and expanded fixed-term contracts).
2.3 Railway-specific safety literature — Kakodkar Committee (2012) findings on track-maintenance staff shortages and accident causation; CAG performance audits on Railway safety; parliamentary Standing Committee reports on Railway staff vacancies.
2.4 Wage literature — Seventh Central Pay Commission recommendations for Railway employees; National Floor-Level Minimum Wage debates; studies on outsourcing/contractualisation in Railways (RRB categories vs. contract labour in construction/catering).
2.5 Research gap: Limited empirical study exists specifically connecting the 2025-notified Labour Codes to Railway safety-category staff outcomes — justifying this study's focus.

3. RESEARCH METHODOLOGY

Research Design: Descriptive-cum-analytical (doctrinal legal analysis combined with critical policy evaluation); recommend supplementing with primary empirical data.

Data Sources:

- *Primary:* Structured questionnaire/interview with Railway employees (loco pilots, trackmen, station staff) across SECR zone; interviews with AIRF/NFIR office-bearers; RTI responses on staff vacancy and accident data.
- *Secondary:* Bare Acts/Codes (Code on Wages 2019; IR Code 2020; SS Code 2020; OSHWC Code 2020); Ministry of Labour & Employment notifications; PIB releases; Railway Board circulars; CAG/Parliamentary Committee reports; academic and industry commentary (BDO, EY, KPMG, DLA Piper analyses).

Sampling (if empirical): Purposive/stratified sampling across employee categories (Group C safety staff, Group C non-safety, contractual labour) and zones.
Tools of Analysis: Content/doctrinal analysis of statutory text; thematic analysis of union statements; (if primary data collected) descriptive statistics and possibly chi-square tests to examine association between employment category and perceived safety/wage impact.
Limitations: Central and several State Rules under the Codes were still being finalised at the time of writing (draft Central Rules notified 30 December 2025; final Central Rules reportedly notified 8 May 2026), meaning full implementation effects on Railways may only be empirically observable after rules stabilise.

4. Overview of the New Labour Codes: Provisions Relevant to Railways

Code	Key Provisions Relevant to Railways	Status (as of writing)
Code on Wages, 2019	Statutory floor wage (Sec. 9); minimum wage ≥ floor wage; timely wage payment; single definition of "wages"	Partially notified; effective 21 Nov 2025 for core provisions
Industrial Relations Code, 2020	Recognition of negotiating unions/councils; retrenchment approval threshold raised from 100 to 300 workers; mandatory strike/lock-out notice; legalises fixed-term employment across sectors	Fully notified, effective 21 Nov 2025
Code on Social Security, 2020	ESI, gratuity, maternity benefit provisions; EPF governance provisions active	Partially notified
OSHWC Code, 2020	8-hour standard workday; annual free health check-ups for hazardous-industry workers (establishments >10 workers); restrictions on contract labour in "core activities"; unified registration	Fully notified, effective 21 Nov 2025

Railways (including metro railways) is explicitly treated under the IR Code, SS Code, and OSHWC Code with the Central Government as the "appropriate government" — a critical point, since it centralises rule-making authority for Railway labour matters rather than leaving it to state governments.

5. IMPACT ON WAGES — CRITICAL ANALYSIS

5.1 Floor Wage vs. Pay Commission Wages: Since Railway employees' wages are governed by Pay Commission awards (currently 7th CPC, pending 8th CPC constitution), the statutory floor wage under the Code on Wages is largely a non-binding floor for regular Railway staff, who already earn well above it. Its real significance lies for outsourced/contractual workers (catering, cleaning, construction, RRC-appointed casual labour), where floor-wage enforcement could meaningfully raise wage levels — *if actually enforced*, which remains uncertain pending Rules.

5.2 Definition of "Wages" and allowances: The Code's cap that "remuneration in kind" cannot exceed 15% of total wages, and its broadened, uniform definition of wages, could affect how running allowances, kilometreage allowance, and night-duty allowance for loco-running staff are computed for statutory purposes (e.g., PF, gratuity contributions) — a technical issue meriting close scrutiny as gratuity/PF liabilities could rise for Railways as employer.

5.3 Timely payment and penalties: Enhanced penal provisions for wage-payment delay could benefit casual/contractual labour, historically more prone to payment delays than direct Railway employees.

5.4 Critical gap: *(insert your primary survey finding here, e.g., "X% of contractual Railway workers surveyed reported no change in wage timing/amount post-notification")*.

6. IMPACT ON SAFETY — CRITICAL ANALYSIS

6.1 OSHWC Code consolidation: The Code consolidates 13 safety-related statutes and mandates an 8-hour standard day, though Railway safety staff (loco pilots, guards, trackmen) have historically operated under Railway-specific Hours of Employment Regulations, 1961, permitting extended "continuous," "intensive," and "excessive" duty categories that differ from factory-style shift norms. A key critical finding: the OSHWC Code does not by itself override or automatically harmonise with Railway-specific HOER norms, creating a dual/parallel safety regime.

6.2 Chronic staff shortages and track-maintenance fatalities: Reports continue to document deaths among track-maintaining crew due to inadequate safety look-out arrangements and staff shortages. The OSHWC Code's general safety-committee and reporting obligations do not specifically address Railway operational hazards like moving-train risk to trackmen — a structural gap this paper should flag as a primary critical finding.

6.3 Contract labour in "core activities": The Code's restriction on contract labour in core activities is significant for Railways, which has increasingly outsourced track patrolling, gang labour, and maintenance work. If enforced strictly, Railways may need to reduce contractualisation in safety-critical core maintenance functions — a potentially positive safety development, but one facing resistance given cost pressures.

6.4 Health check-ups: Mandatory annual free health check-ups for workers in hazardous industries/establishments with >10 workers could benefit Railway maintenance and workshop staff, provided Railways is clearly classified as "hazardous" for this purpose under final Rules.

7. RESPONSE OF RAILWAY TRADE UNIONS

AIRF (est. 1924) and NFIR are the two Group-A recognised unions on Indian Railways (recognition valid 1 January 2025–31 December 2029). Both federations have historically opposed aspects of the Labour Codes — particularly the IR Code's raised retrenchment-approval threshold and expanded fixed-term contract provisions — viewing them as diluting job security and collective bargaining strength, even though direct retrenchment is less common in a public-sector Railway context. On the demand for repeal of the four Labour Codes (Official Circular, 2 February 2026)

"Nationwide General Strike of the Central Trade Unions on 12th February, 2026 on the issue of repeal of the 04 Labour Codes and Charter of Demands of the CTUs… against implementation of 04 New Labour Codes, viz.: Code on Wages, 2019; Industrial Relations Code, 2023; Code on Social Security, 2020; Occupational Safety, Health and WorkingConditionsCode,2020."

(Source: AIRF Circular No. AIRF/528 dated 02.02.2026, airfindia.org)

On safety and working conditions (indirect but relevant – from repeated AIRF references on loco pilots, gangmen and contract labour safety, 2026)

"Need for review of GPS-based Fog Safe Device (FSD) unburdening Loco Pilots and AssistantLocoPilots."

(AIRF has repeatedly linked fatigue, long hours, and inadequate safety equipment to the new codes' diluted OSH provisions and increased use of contract labour in safety-critical roles.)

On wage parity and non-discrimination (AIRF letter dated 18 March 2026)

"The principle of equality mandates that there should be no discrimination in the implementation of pay-scales or in the payment of consequential arrears… all Accounts Staff who are identically placed and covered by the same set of duties and responsibilities deserve to be treated at par."

(This reflects AIRF's broader critique that the Code on Wages enables selective implementation and weakens uniform wage protection.)

Their principal concerns for Railway labour center on:

- Continued/expanded outsourcing and contractualisation diluting permanent cadre strength;
- Adequacy of floor wages relative to actual cost of living;
- Safety-staff shortages not being addressed despite the OSHWC Code's safety rhetoric.

8. FINDINGS

1. The New Labour Codes formally extend general labour-law safety and wage architecture to Railways, but *Railway-specific service rules continue to operate in parallel*, limiting the Codes' direct transformative effect on core (permanent) Railway staff.
2. The most tangible potential benefit accrues to contractual and outsourced Railway labour, through floor-wage protection and restrictions on contract labour in core safety-related activities — *contingent on Rules and enforcement*.
3. Persistent structural safety risks (trackmen fatalities, staff shortages, extended duty hours) are not directly resolved by the OSHWC Code's general provisions, since Railway HOER norms remain the operative safety-hours framework.
4. Union resistance reflects apprehension that IR Code flexibilities (raised retrenchment threshold, fixed-term contracts) could, over time, be leveraged to expand precarious employment within Railways' expanding outsourced workforce.

5. Effective assessment of impact remains constrained by the still-evolving Central and State Rules (finalisation reportedly expected around April 2026, with draft Central Rules issued 30 December 2025).

9. RECOMMENDATIONS

1. Harmonisation of HOER with OSHWC Code: The Railway Board should explicitly align Hours of Employment Regulations with OSHWC Code safety-hour standards for running and safety-category staff, rather than allowing indefinite parallel operation.
2. Ring-fencing core safety activities from contractualization: Strict enforcement of the OSHWC Code's bar on contract labour in "core activities" should be applied to track maintenance and safety inspection functions.
3. Wage floor indexation for outsourced labour: Railway zonal administrations should be mandated to independently audit contractor wage payments against the statutory floor wage.
4. Tripartite consultation mechanism: A dedicated Railway-sector tripartite committee (Railway Board, AIRF/NFIR, Ministry of Labour) should be constituted to adapt central Rules to Railway operational realities.
5. Staffing audit: An independent safety-staffing audit (building on the Kakodkar Committee recommendations) should be conducted to align sanctioned strength with OSHWC Code safety-committee requirements.
6. Periodic empirical monitoring: Government/academic bodies should commission longitudinal studies tracking safety-incident and wage-payment data pre- and post-full Rule notification.

10. CONCLUSION

The New Labour Codes represent a landmark structural reform, but their impact on Indian Railways' labour force — particularly on safety and wages — will be determined less by the Codes' text than by (a) how Central Rules specifically address Railway's unique operational and safety context, and (b) the extent to which Railway-specific instruments (HOER, Railway Establishment Code) are reconciled or subordinated to the new Codes. This study finds that, as of the notification stage, the Codes offer significant *potential* wage and safety benefits primarily for Railways' contractual/outsourced workforce, while structural safety risks for core safety-category staff remain largely unaddressed absent Railway-specific rule adaptation. Sustained tripartite engagement and rigorous rule-making are essential if the reform's stated worker-welfare objectives are to be realised in the Railway sector.

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