

LABOUR LAWS IN INDIA

Prelims- Governance- Policies

Mains - GS2 - Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.

Context-

- ✚ Central government for its move to subsume 44 existing labour laws into four codes dealing with wages, social security, industrial safety and welfare, and industrial relations.
- ✚ The code on wages Bill, which seeks to replace existing laws related to workers' remuneration.
- ✚ Labour Union- These codes will do away with social security measures of the labour force in the country. It will give a free hand to industrial houses and big companies

Issues with Labour Law:

- ✚ Labour laws involving safety at workplace, wages, social security and industrial relations.
- ✚ Distorted the labour market.
- ✚ Due to the complex and massive numbers of labour laws, industries prefer to hire contractual labourers not covered under these laws and without any social security or termination protection.
- ✚ Another major problem of labour market in India is that there is a growing number of unskilled labourers in the country.
- ✚ Current labour reforms are less focus on apprenticeship.
- ✚ Labour market in India is suffering from surplus labour force.
- ✚ lack of adequate information regarding jobs
- ✚ child labour practices
- ✚ lack of proper manpower planning etc.

Polity:

- ✚ **Article 246** Labour being in **concurrent list**, many states and even centre have enacted laws. So many laws lead to confusion about regulation giving rise to inspector raj.
- ✚ **Article 43A** was inserted by 42nd amendment – directing state to take steps to ensure worker's participation in management of industries.

- ✚ **Article 23** forbids forced labor, 24 forbids child labor (in factories, mines and other hazardous occupations) below age of 14 years.

Important laws related to Industrial relations are

Employee State Insurance Act:

- ✚ ESI card is issued, insuring worker against any accident at work. There's also ESI corporation.

Employees Provident Fund and Miscellaneous provisions Act -

- ✚ Provident fund is one in which employee pays part of his wage (12 % in most cases) and equal contribution by employer. This is mandatory for establishment employing more than 20 people

Factories Act, 1948

Child Labor (prohibition and regulation) Act:

- ✚ Prohibits Children below age of 14 to work in hazardous jobs. There are demands for complete ban on child employment

Industrial Disputes Act:

- ✚ One important provision – Industries employing more than 100 people can not terminate employment before approval of government. There is strong demand from industry to revise this limit, to facilitate easy entry and exit.

Minimum Wages Act

Bonded Labor system (Abolition) Act:

- ✚ System in which onetime payment was made by employer to supplier or leader of group and whole season's or year's services of labor was taken. Still rampant in some businesses like Brick Kilns

Contract Labor (Regulation and Abolition) Act, 1970:

- ✚ Contract labor is indirectly employed by an establishment through a contractor or agency. So, their relation with principal organization becomes ambiguous. They are generally discriminated against direct employees in terms of wages, job security, status etc. This act attempts to abolish it in certain circumstances and to bring them at par with direct employees.

Apprentices Act, 1961:

Reforms needed in Labour Law:

- ✚ There is an overlapping of labour laws which gives immense powers to official to harass the employer and leads to corruption.

- ✚ Social safety net for workers in order to enable capacity building of workers.
- ✚ Disinvestment and FDI: PSE's one of the main objectives was to provide employment even at cost of economy but this very policy was result of demise of PSEs. Same is true for FDI.

Conclusion:

- ✚ The government needs to bring more investor-friendly labour laws at the national level and reforms such as deregulating labour laws.

