

INDUSTRIAL RELATION AND LABOUR LAW



ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self-instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual-skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self-instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)



PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect.

All the best for your studies from our team!



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BLOCK 1: BASICS OF LABOUR FORCE AND ECONOMIC PROBLEMS OF LABOUR

Block Introduction

Labor force plays an important role in the economic development of a nation. The growing volume of the global workforce put forward a prospect to drive trade and industry development and increase gross domestic product (GDP). The Indian economy is characterized by the existence of a vast majority of informal or unorganized labour employment. As per the National Sample Survey Organization (NSSO), 30 million workers in India are constantly on the move (migrant labour) and 25.94 million women workforce has been added in the labor market from the year 2000 onwards.

This block will explain about what is a labour force .It will help to gain knowledge about how to classify the labour as formal and informal .Moreover it also explains the occupational and economic classification of labour. The block also gives a detail description on the Indian labour, its Socio-Economic Background, and division in the basis of gender. Moreover, economic problems of labour related to the wages and standard of living in India are also discussed in detail. The trends related to the Unemployment and employment in India is explained in this block. The block also provides the details of the programs of the central government and state government related to the social security. The models of social security and labour welfare and the government's role in safeguarding it are also discussed in this block.

Unit 1 provides general overview of meaning of labor force. The occupational and economic classification of labor force in India is studied in detail. Unit 2 provides a glimpse on the socio-economic background of Indian Labor along with the economic Problems, Wages, and Standard of Living. The existing employment pattern and unemployment in the Indian society is thoroughly studied. Study of social security in India and the government's involvement in this matter is also a subject of study in this unit.

Block Objective

After learning this block, you will be able to understand:

- The concept of Labor Force in India and its classification under different criteria.
- The socio-economic back ground of Indian labor.
- About the employment generation in India.
- Concept of Social security and the India government's policies for social security.

Block Structure

Unit 1: Labour Force

Unit 2: Economics Problems of Labour

UNIT 1: LABOUR FORCE

Unit Structure

1.0 Learning Objectives

1.1 Introduction

1.2 Occupational and Economic Classification of Labour Force

1.2.1 Formal and Informal Employment

1.3 Let Us Sum Up

1.4 Answers for Check Your Progress

1.5 Glossary

1.6 Assignment

1.7 Activities

1.8 Case Study

1.9 Further Readings

1.0 Learning Objectives

After learning this unit, you will be able to understand:

- Classify the labour force in India on occupational and economic bases.
- Differentiate between Formal and Informal employment.
- Explain who is called self- employed, salaried/ wage employees and a part time employee.

1.1 Introduction

Labour force, or in others words, the „economically active“ population, refers to the population which supplies or seeks to supply labour for production and, therefore, includes both „employed“ and „unemployed“ persons. Four different estimates of the labour force have been obtained based on the three approaches adopted in the survey for classification of the population by activity status viz. usual status, current weekly status and current daily status. These are:

(i) number of persons in the labour force according to the usual status i.e. by

considering usual principal activity only, (ii) number of persons in the labour force according to the usual status i.e. by considering usual principal and subsidiary activity together, (iii) number of persons in the labour force according to the current weekly status approach, and (iv) number of person-days in the labour force according to the current daily status approach.

India's labour force is growing at a rate of 2.5 per cent annually, but employment is growing at only 2.3 per cent. Thus, the country is faced with the challenge of not only absorbing new entrants to the job market (estimated at seven million people every year), but also clearing the backlog. Sixty per cent of India's workforce is self-employed, many of whom remain very poor. Nearly 30 per cent are casual workers (i.e. they work only when they are able to get jobs and remain unpaid for the rest of the days). Only about 10 per cent are regular employees, of which two-fifths are employed by the public sector.

More than 90 per cent of the labour force is employed in the "unorganised sector", i.e. sectors which do not provide with the social security and other benefits of employment in the "organised sector". In the rural areas, agricultural workers form the bulk of the unorganised sector. In urban India, contract and sub-contract as well as migratory agricultural labourers make up most of the unorganised labour force. Unorganised sector is made up of jobs in which the Minimum Wage Act is either not, or only marginally, implemented. The absence of unions in the unorganised sector does not provide any opportunity for collective bargaining. Over 70 per cent of the labour force in all sector combined (organised and unorganised) is either illiterate or educated below the primary level.

India is in the course of carrying out the demographic conversion. As a result, the age composition of the population is varying. While the population below age 14 is deteriorating, the share of elderly is growing in the country. According to 2001 census, nearly 7.5 per cent of India's population (77 million) falls in the age 60 and above. So, it would be sensible to look into the age composition of workforce as well. It is found that the proportion of both male and female elderly workers (age group 60 and above) has increased faster, particularly in the last decade 1991-2001. It has been found that the percentage of workers engaged in non-agricultural sector has increased considerably over the decades at the national and state levels. In 1981 nearly one third of the male workforce was occupied in non-agricultural activities; however, in 2001 around half of the male workers were retuned as non-agricultural workers. An important intention of development planning in India has been to offer rising employment opportunities

not only to the unemployed but also to the new additions to the labour force. The age composition of the population, labour force and employment are closely interconnected. Any modification in the size, composition and distribution of population will influence the composition of the work force in any nation. Cultural norms about looking for and involvement in work are also very vital for the country like India. Women are not supposed to work, and even if they work, it is not esteemed as a work. Thus, what constitutes a work has a convinced market, but unsure non-market determinants. Noticeably, approximately 8.9 million farmers, during 2001 and 2011, moved away from self-cultivation in the total work force. The decline in main workers who involved in cultivation/farming had begun since 1991. Around 7.5 million farmers of main workers category during 1991-2001 and another 7.4 million during 2001-11, together 14.9 million farmers of main workers category are moved away from farming during the last two decades, a sharp decline in cultivators .It is observed from the census data that the job-related distribution in the total workers is still tilted in the direction of agricultural activities – more than half of the workforce is concentrated in agriculture. However, an outstanding attribute of the inclination is that there is a quick turn down in the size of self-cultivators and at the same time there is a bulging in the agricultural labour group. The census 2011 result gives enhanced image when compared with NSSO inference of work force involvement and change in the pattern of work force.

The decelerating but a high rate of growth in workforce occupied non-agriculture compared to that of agriculture could not bring any radical alteration in the composition of workforce. This is disparity with the ever maximum increase of will soon have the largest, youngest workforce ever. Nearly half the population is under 24 years of age while about 64% of Indians are of working age. Around 12 million young Indians will enter the job market each month for the next 20 years.

1.2 Occupational and Economic Classification of Labour Force

As per the resolution adopted in the seventeenth International Conference of Labour Statisticians (ICLS), employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severance of pay, paid annual

or sick leave, etc.). The definition implies that the employees with informal jobs do not have any job protections or security against arbitrary dismissal or lay off and are not entitled to any employment benefits. These workers also generally do not have work security like protection against accidents and illness at work place through safety and health regulations. Absence of social security benefits like maternity and health care, pension and other retirement benefits provided by the employer is yet another characteristic of informal employment.

The conceptual framework developed by the ILO in the form of a matrix for identification of informal employment relies on status of employment, nature of job and sector of employment. The status of employment in terms own-account workers, employers, contributing family workers and employees are usually available from labour force surveys being conducted in India periodically. However, employees are not categorized as members of producer"s.

Co-operatives in India as registered co-operative societies are non-profit institutions and members are not entitled for profit sharing. The working members are regarded as usual employees of the society. Further, producers" co-operatives are separate legal entities and are therefore not considered as enterprises in the informal sector.

The sector classification of enterprises as formal and informal is based on the twin criteria of ownership and employment size. Private enterprises having less than total workers, operating on a proprietary or partnership basis are regarded as informal enterprises as per the new definition proposed by the NCEUS. Private households employing paid domestic workers were not identified as a separate sector in the earlier labour force surveys conducted in India. However, this deficiency has been removed in the 61st round survey of National Sample Survey Organisation (NSSO) conducted during July 2004 to June 2005. The coding structure for „enterprise type" of the worker has been expanded to include „Private households employing maid servants, cooks, etc." as a separate category.

1.2.1 Formal and Informal employment

The classification of the nature of job as formal or informal within different employment statuses and enterprise types is based on a number of criteria as per the conceptual framework. While some of these are fixed criteria, the others are based on the application of employment, work and social security criteria. The specific criteria are as follows:

- a. Self-employed own-account workers in the informal sector or private households and self-employed employers in the informal sector are regarded as informal employees.
- b. Unpaid family workers, whether in the formal or informal sector are informal employees.
- c. Employees in the formal and informal sectors are classified as informal employees, if they do not enjoy specific employment security, work security or social security.

The variable activity status classifies a person into the following worker categories and other non- worker categories, on the basis of longer time spent on any activity during the last 365 days.

- a. Self-employed own account worker
- b. Self-employed employer
- c. Helper in household enterprise (unpaid family worker)
- d. Regular salaried/ wage employees
- e. Casual wage labour in public work
- f. Casual wage labour in other types of work

Persons who are engaged in their own farm or non-farm enterprises are defined as self-employed. Those self-employed persons who do not hire any worker on a fairly regular basis are considered as own account workers and others are considered as employers.

The employees in an enterprise can be either regular salaried/ wage employee or casual wage employees who are normally engaged on a day today basis. The casual wage workers both in public work and other types of work do not enjoy any job security or social security. These workers either in formal or informal sector or in private households are informal workers.

The regular salaried/ wage employees are those working in others farm or non- farm enterprises and getting in return salary or wages on a regular basis and not on the basis of daily or periodic renewal of work contract. This category includes those getting time wage as well as those receiving piece wage or salary and paid apprentices, both full time and part time. This category of persons may, therefore, include persons engaged regularly on an hourly basis, temporary workers, out-workers etc.

In fact, there are several employees with adequate job security but not having any written job contract. The non-eligibility of paid leave is a clear indication of job insecurity and hence a good indicator for identifying informal jobs. It would be, however, more useful if paid leave is replaced with „Paid sick or Annual leave“ to differentiate from paid weekly holidays.

A person is considered to be employed on a part time basis, if the number of hours of work is specified and it is lower than the normal working hours of the enterprise in a single shift. This variable is also not capable of clearly reflecting job insecurity or otherwise of the employees.

The data on workplace can provide some indication on work security. In fact, employees whose workplace is own dwelling belongs to the category of out-workers and those who are informal employees. The variable can, however, identify only certain categories of informal employees. The availability of social security like pension and provident fund benefits provided by the employer can be a good indicator for identifying informal employment, in the case of regular salaried/ wage employees.

Though the employment in the informal sector in India is about 340.31 million, the informal employment in the country is 362.08 million. Out of 56.45 million employees in the organised sector, about 25.79 million are informal employees. Among 340.321 million informal sector employees, 4.02 million are formal employees.

Check your progress 1

1. The employees with _____ do not have any job protections or security against arbitrary dismissal or lay off and are not entitled to any employment benefits.
 - a. Formal jobs
 - b. Informal jobs
 - c. None of these
2. Co-operatives in India as registered co-operative societies are
 - a. Pvt. Ltd companies
 - b. Non-profit institutions
 - c. Public Ltd companies
 - d. None of these

1.4 Answers for Check Your Progress

Check your progress 1

Answers: (1-b), (2-b), (3-b), (4-c), (5-b)

1.5 Glossary

1. **Migratory** - travelling
2. **Emphasis** - importance
3. **Incidence** - occurrence
4. **Entity** - individual
5. **Variable** - changeable
6. **Dwelling** - house

1.6 Assignment

1. Prepare a list of names of occupations that come to your mind.
2. Classify these names to Formal and Informal employment.

1.7 Activities

1. Take 5 of your neighbouring houses.
2. List people there with name and their occupations.
3. Classify them into unemployed; self-employed; part time employed and regular/salaried persons.

1.8 Case Study

It is observed that during the 2001-11, about 79 million is the net addition to the total Indian workforce. Of the total net addition to the workforce, during 2001-11, one-third of it is absorbed in the agriculture and the rest in the non-agriculture. Thus, a large part of the increasing labor force is getting absorbed in non-agriculture.

1. Write a note on the above statement?
2. In your opinion, what are the reasons for the increase in non-agriculture labour force?

1.9 Further Readings

1. The Essence of Personnel Management and Industrial Relation, Alan Cowing & Phillip James, Prentice Hall of India Pvt. Ltd., 1997

UNIT 2: ECONOMICS PROBLEMS OF LABOUR

Unit Structure

2.0 Learning Objectives

2.1 Introduction

2.2 Socio-Economic Background of Indian Labour

2.2.1 The Gender Divide in the Indian Labour Market

2.3 Economic Problems of Labour

2.4 Wages and Standard of Living

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2.7 Let Us Sum Up

2.8 Answers for Check Your Progress

2.9 Glossary

2.10 Assignment

2.11 Activities

2.12 Case Study

2.13 Further Readings

2.0 Learning Objectives

After learning this unit, you will be able to understand:

- About the general economic problems of labour in India.
- The wages and standard of living of the labour force.
- The division of Indian labour in the basis of gender.
- The unemployment and employment trends in India.

2.1 Introduction

The Ninth Plan projects a decline in the population growth rate to 1.59 per cent per annum by the end of the Ninth Plan, from over 2 per cent in the last three decades. However, it expects the growth rate of the labour force to reach a peak level of 2.54 per cent per annum over this period; the highest it has ever been and is ever likely to attain. This is because of the change in age structure, with the highest growth occurring in the 15-19 years age group in the Ninth Plan period.

The addition to the labour force during the Plan period is estimated to be 53 million on the “usual status” concept. The acceleration in the economy’s growth rate to 7 per cent per annum, with special emphasis on the agriculture sector, is expected to help in creating 54 million work opportunities over the period. This would lead to a reduction in the open unemployment rate from 1.9 per cent in 1996-97 to 1.47 per cent in the Plan’s terminal year, i.e. by about a million people - from 7.5 million to 6.63 million.

In other words, if the economy maintains an annual growth of 7 per cent, it would be just sufficient to absorb the new additions to the labour force. If the economy could grow at around 8 per cent per annum during the Plan period, the incidence of open unemployment could be brought down by two million persons, thus attaining near full employment by the end of the Plan period, according to the Plan.

However, there appears to be some confusion about the figure of open unemployment. The unemployment figure given in the executive summary of the Ninth Plan gives the figure of open unemployment at 7.5 million while the annual report of the Labour Ministry, for 1995-96, puts the figure for 1995 at 18.7 million. An internal government paper prepared in 1997 put the unemployment figure at the beginning of the Eighth Plan at 17 million and at 18.7 million at the

end of 1994-95. Perhaps, the Planning Commission referred to the current figure while the Labour Ministry figure referred to the accumulated unemployment backlog.

Economic reforms may have given a boost to industrial productivity and brought in foreign investment in capital-intensive areas. However, the boom has not created jobs. This was not unexpected. According to a report by the Washington-based Institute of Policy Studies (IPS), the combined sales of the world's top 200 MNCs is now greater than the combined GDP of all but the world's nine largest national economies. Yet, the total direct employment generated by these multinationals is a mere 18.8 million -one-hundredth of one per cent of the global workforce.

India's Ninth Five-Year Plan projects generation of 54 million new jobs during the Plan period (1997-2002). However, performance has always fallen short of target in the past and few believe that the current Plan will be able to meet its target.

2.2 Socio-Economic Background of Indian Labour

According to the standard data sources, around 40 to 45 per cent of the population is labelled as workers and the worker to population ratio has remained approximately stable since independence. The recorded data on participation of women in the workforce throughout this period has been consistently lower, by close to 20 percentage points, than that of men. The recent official estimates of worker to population ratio for females for the country as a whole are in the range of 25 to 30 per cent, with considerable variations across socio-economic categories, different states and between urban and rural areas. As per the survey of 2004-05, the country's labour force size was estimated as 469 million and of this enormous mass, a huge majority of more than 75 per cent lives in the rural regions.

The other striking feature is a very high dependence of the country's labour force on the agricultural sector. Although the share of agriculture in India's GDP has come down to about a fifth, almost 60 per cent of the workforce, more than half of whom are wage labourers, continues to depend on this sector. After agriculture, as a broad category, the unorganised/informal non-agricultural sector happens to be the second most important employer, accounting for more than 40 per cent of the workforce and close to 40 per cent of the GDP. The most sought after organised or formal sector employs less than 10 per cent of the country's

workforce while producing around 40 per cent of the GDP. Of the total employment in the organised sector, almost 65 to 70 per cent is in the public sector (including public administration and defence services) and the rest in private sector, largely corporate manufacturing and a variety of services.

Furthermore, the share of the organised sector in total non-agriculture sector remains to be quite small and even declining in recent years. There has been a large further decline in the number of enterprises that satisfy the minimum criterion to be classed as „organised“. In 1998, out of a total 30.3 million enterprises, 0.8 million employed ten or more workers. Although the total number of ventures had gone up to 42.1 million by 2005, the number of those employing 10 or more had fallen sharply to 0.6 million. It is also worth noting that only 30 to 35 per cent of the organised sector employment is in the secondary sector, the remaining being almost entirely in the tertiary sector.

The current increase in non-agricultural employment of around 40 million between 1999 and 2004 has been vastly in the unorganised sector. It is worth emphasizing here that employment availability is a huge concern for substantial segments of the workforce and the problem has tended to worsen in the recent years. Apart from that the employment aspirations of relatively younger groups of workers, substantial numbers of whom have had some education, are clearly not being attended. Moreover, unemployment rates in the age group of 15-19 or 20-24 years, present quite a disturbing picture as these rates are in the range of 15 to 30 per cent.

In the most recent phase, „jobless growth“ has also been supplemented by sky rocketing price rises that have led to increased suffering of the people. A process that stimulates growth should also make an attempt to reduce poverty and create jobs that are more rewarding. If such a distributive aspect is not intrinsic to the growth process itself, macroeconomic framework of such a growth needs to be rethought. However, time and again, the policy makers have failed to achieve the desired goals as far as employment generation is concerned.

For the huge mass of the unorganised workers, satisfactory and decent employment is a distant dream. This sector is largely devoid of any social protection and not surprisingly, is characterised by poverty on a very large scale. Work prospects and working conditions for the majority of these workers tend to be quite dangerous and appear to have witnessed little progress or even regressions in vital ways, precisely during the period when a variety of above noted macro-economic indicators paint a picture of a vibrant economy.

2.2.1 The Gender Divide in the Indian Labour Market

One of the biggest shifts in the Indian labour market has been the dramatic withdrawal of women workers in the past few years. India's female labour force participation rate, or the proportion of women who opt for work, fell nearly seven percentage points to 22.5% between 2004-05 and 2011-12. Low female labour participation rates have been a structural problem in India for long but the recent decline means the country has among the lowest proportions of working women. India ranks 10th from the bottom among countries ranked according to their female labour force participation rate, World Bank data show. The greatest withdrawal of women from the labour force occurred in rural areas, and was largely in agriculture. The withdrawal is all the more surprising as it has occurred during a period of sharp rise in wages that women earn. The gender gap in wages of casual labourers declined nearly six percentage points between 2004-05 and 2011-12 to 31%. There are possibly three key factors driving women out of the rural labour force. First, there seems to be an income effect that has raised average rural incomes and allowed many women to quit demanding farm jobs. Secondly, there seems to be an education effect that is putting increasing numbers of rural women out of farms and into schools and colleges, which is reflected in the growing rural enrolment rates. Finally, there seems to be a dearth of attractive non-farm work opportunities for rural women as most non-farm jobs have been generated in the construction sector. The underlying factor that drives women out of the labour force once the family income crosses a certain threshold is the force of patriarchy. A look at the inter-state variations in female labour force participation rates seems to confirm the role of patriarchy as an important driver of gender gaps in labour participation rates.

In 2004–05, about 40 per cent of the urban and close to 60 per cent of the rural non-agricultural workers, as per the UPSS classification in the age group of 15–64 years, did not have a conventional designated place (such as a factory, office or any institution) of work. For female workers, at the all India level, this ratio was much higher, at 70 per cent, compared with 47 per cent for males. Approximately 6 and 8 per cent of rural and urban workers respectively reported „street“ as their location of work.

The people in developing countries, including India, can hardly afford to remain unemployed. Hence, work they must. If paid work is not available, some kind of self-employment has to be invented. Thus, it is scarcely unpredicted that India's labour market has been characterized by the presence of a very substantial portion being self-employed. However, during much of the period since

Independence, the share of regular employment in total employment had been declining while that of casual employment had been going up. Hence, on the whole, the share of wage employment had shown a clear, albeit slow, rising trend. Even in the rural areas, out of the total self-employed, around 40 per cent were in non-agricultural activities. Only a miniscule proportion of the self-employed are at the higher end of skills and earnings whereas the overwhelming majority of them work under extremely demanding conditions as they are typically engaged in low-productivity work that generates little wages. Nonetheless, in the absence of viable options, a majority of them are forced to be at it on a continuous basis. The 61st round of the NSS pertaining to 2004–05 reflected that almost 92 per cent of males and 60 per cent of females among the self-employed persons in rural areas reportedly worked seven days a week. Comparable figures for urban areas were close to 95 and 62 per cent. As regards the variables relating to the quality of employment, it is an extremely dismal account and the rate of growth of secure jobs has been close to zero, if not negative. Problems such as informality, working poverty, inadequate expansion of decent opportunities commensurate with the country's growing labour force are among the major challenges characterizing India's labour market. For the overwhelming majority of workers, decent livelihood options are hard to come by and their work and living conditions are utterly deplorable. Along with the economic structural issues, there are longstanding and stubborn social correlates such as exclusion and discrimination based on caste, community, tribe and gender. Achievements of the Indian government in relation to addressing these issues have, at best, been moderate. Apart from these socio economic structural issues, there have been glaring policy failures. Negligible attention is given to skill building, training and, in general, investments in human capital of the current workforce.

Check your progress 1

1. The striking feature is a very high dependence of the India's labour force on the _____
 - a. Industrial Sector
 - b. Government sector
 - c. agricultural sector
2. The greatest withdrawal of women from the labour force occurred in rural areas, and was largely in _____
 - a. government jobs
 - b. agriculture
 - c. small scale units

along with legislative and structural changes to bring in an environment devoid of restrictive labour practices, but protecting the rights and interests of the workers.

Check your progress 2

1. Labour policy initiatives are aimed in bringing an environment devoid of restrictive labour practices, but protecting the rights and interests of the_____
 - a. Employer
 - b. Government
 - c. Employee
2. High rates of unemployment and underemployment can be considered as an economic problem of labour.
 - a. True
 - b. False

2.4 Wages and Standard of Living

Wages refers to the total pay package that an employee receives on a periodic basis. A healthy, competent and devoted work force is the most precious asset of a successful organisation. In order to obtain, retain and develop such workforce or employees, it is necessary that they are suitably rewarded for their services. A remunerative wage structure is the dominating force, which motivates employees to contribute their maximum worth to the enterprise. While determining such wage rates, an organisation may take into consideration the following factors:

1. The most important is the bargaining capacity of the employer and employees.
2. Standing of the particular organisation and its financial capacity to pay higher wages is considered.
3. The prevailing rates of wages for similar type of work in the market (i.e. level of competition) as well as the prevailing condition of the economy are also important.
4. If a job requires specialized skills and training, wages should be accordingly higher.

5. The nature and type of the work done by the workers is another consideration, e.g. higher wage rates should be paid for complicated and hazardous jobs.
6. Productivity of workers needs to be considered. Workers who are more efficient and experienced should get higher wages.

Given the above considerations, the three important methods of wage payment may be as follows:

- a. **Time Rate System:** It is one of the simplest and oldest methods of wage payment. Under it, remuneration is based upon the amount of time spent on the work. The wage rate increases with an increase in hours of work done and vice-versa. Here wages are calculated on hourly, daily, weekly, monthly or yearly basis and are usually prescribed in advance.
- b. **Piece Rate System:** This method takes into consideration the efficiency of the workers. Under it, wages are based upon the amount of work done by the workers. The wage rate rises or falls with increase or decrease in the output of the worker. Here wage rates are prescribed per piece.
- c. **Incentive Wage Plan:** It is the co-ordinated form of both the above-mentioned methods for wage payment. Under it, the workers get additional wages based upon their efficiency in addition to the minimum guaranteed wages. Incentive wage rate rises or falls with increase or decrease in the quantity of production.

In India, setting up of “The Committee on Fair Wage” was a major landmark in the history of formulation of wage policy. Its recommendations set out the key concepts of the „living wage“, „minimum wage“ and „fair wage“, besides laying down the guidelines for wage fixation. „Minimum wage“ is the wage that provides for the bare sustenance of life and preservation of the efficiency of the work. „Living wage“ is the wage that provides a standard of living to the workers. „Fair wage“ is the wage that is above the minimum wage but below the living wage. According to it, workers should get reasonable and fair wages, which are sufficient to meet the needs of the worker and his family.

i. Payment of Wages Act, 1936

The Payment of Wages Act, 1936 is a central legislation, which has been enacted to regulate the payment of wages to workers employed in certain specified industries and to ensure a speedy and effective remedy to them against illegal deductions and/or unjustified delay caused in paying wages to them. It applies to the persons employed in a factory, industrial or other establishment or

in a railway, whether directly or indirectly, through a sub-contractor. Further, the Act is applicable to employees drawing wages up to Rs. 1600/- a month.

The Central Government is responsible for enforcement of the Act in railways, mines, oilfields and air transport services, while the State Governments are responsible for it in factories and other industrial establishments.

The basic provisions of the Act are as follows:

- a. The person responsible for payment of wages shall fix the wage period up to which wage payment is to be made. No wage-period shall exceed one month.
- b. All wages shall be paid in current legal tender, that is, in current coin or currency notes or both. However, the employer may, after obtaining written authorisation of workers, pay wages either by cheque or by crediting the wages in their bank accounts.
- c. All payment of wages shall be made on a working day. In railways, factories or industrial establishments employing less than 1000 persons, wages must be paid before the expiry of the seventh day after the last date of the wage period. In all other cases, wages must be paid before the expiry of the tenth day after the last day of the wage period. However, the wages of a worker whose services have been terminated shall be paid on the next day after such termination.
- d. Although the wages of an employed person shall be paid to him without deductions of any kind, the Act allows deductions from the wages of an employee on the account of the following:-
 - Fines;
 - Absence from duty;
 - Damage to or loss of goods expressly entrusted to the employee;
 - Housing accommodation and amenities provided by the employer;
 - Recovery of advances or adjustment of over-payments of wages;
 - Recovery of loans made from any fund constituted for the welfare of labour in accordance with the rules approved by the State Government and the interest due in respect thereof;
 - Subscriptions to and for repayment of advances from any provident fund;

- income-tax;
- Payments to co-operative societies approved by the State Government or to a scheme of insurance maintained by the Indian Post Office;
- Deductions made with the written authorization of the employee for payment of any premium on his life insurance policy or purchase of securities.

Hence, the main object of the Act is to eliminate all malpractices by laying down the time and mode of payment of wages as well as securing that the workers are paid their wages at regular intervals, without any unauthorized deductions. The Act was amended by the Payment of Wages (Amendment) Act, 2005 in order to enlarge its scope and provide for enforcement that is more effective. The main amended provision is the enhancement of wage ceiling from 1600/-per month to Rs. 6500/-per month for the applicability of the Act as well as empowering the Government to enhance the ceiling by notification in future.

ii. The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 was enacted to safeguard the interests of workers, mostly in the unorganised sector by providing for the fixation of minimum wages in certain specified employments. It binds the employers to pay their workers the minimum wages fixed under the Act from time to time.

Under the Act, both the Central Government and the State Governments are the appropriate Governments to fix, revise, review and enforce the payment of minimum wages to workers in respect of „scheduled employments“ under their respective jurisdictions. There are 45 scheduled employments in the Central sphere and as many as 1530 in State sphere.

In the Central sphere, the Act is enforced through the Central Industrial Relations Machinery (CIRM). CIRM is an attached office of the Ministry of Labour and is also known as the Chief Labour Commissioner (Central) [CLC(C)] Organisation. The CIRM is headed by the Chief Labour Commissioner (Central) while; the State Industrial Relations Machinery ensures the enforcement of the Act at the State level.

The appropriate Government is required to appoint an Advisory Board for advising it, generally in the matter of fixing and revising minimum rates of wages. The Central Government appoints a Central Advisory Board for the purpose of advising the Central and State Governments in the matters of the fixation and

revision of minimum rates of wages as well as for co-ordinating the work of Advisory Boards.

Minimum wage and an allowance linked to the cost of living index and are to be paid in cash, though payment of wages fully in kind or partly in kind may be allowed in certain cases. The minimum rate of wages consists of a basic wage and a special allowance, known as „Variable Dearness Allowance (VDA)“ linked to the Consumer Price Index Number. The allowance is revised twice a year, once in April and then in October.

Under the Minimum Wages Act, there are two methods for fixation/revision of minimum wages, namely:

Committee method: Under this method, committees and sub-committees are set up by the appropriate Governments to hold enquiries and make recommendations with regard to fixation and revision of minimum wages, as the case may be.

Notification method: Under this method, Government proposals are published in the Official Gazette for information of the persons likely to be affected thereby and specify a date not less than two months from the date of the notification on which the proposals will be taken into consideration.

After considering the advice of the Committees/Sub-committees and all the representations received by the specified date in Notification method, the appropriate Government shall, by notification in the Official Gazette, fix/revise the minimum wage in respect of the concerned scheduled employment and it shall come into force on expiry of three months from the date of its issue. The Government may review the minimum rates of wages and revise the minimum rates at intervals not exceeding five years.

The fixation of minimum wages depends on a number of factors such as level of income and paying capacity, prices of essential commodities, productivity, local conditions, etc. Since these factors vary from State to State, the wages accordingly differ throughout the country. Hence, in the absence of a uniform national minimum wage, the Central Government introduced a „national floor level minimum wage“. Initially, this minimum wage level was fixed at Rs. 35/- per day and has been revised periodically, the last revision being Rs. 66/- per day with effect from 1.2.2004, on the recommendations of the Central Advisory Board. Not all the States/UTs Governments are required to ensure that fixation/revision of minimum rates of wages in all the scheduled employments is below this national minimum wage.

In addition, in order to bring uniformity in the minimum wages of scheduled employments, the Union Government has requested the States to form regional Committees. Hence, five Regional Minimum Wages Advisory Committees have been formed in the country. Payment of Bonus Act, 1965

iii. Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 was enacted to provide for the payment of bonus to persons employed in certain establishments on the basis of profits or productivity and for the matters connected therewith. The Act applies to:

- Every factory as defined under the Factories Act, 1948;
- Every other establishment in which twenty or more persons are employed on any day during an accounting year. However, the Government may, after giving two months' notification in the Official Gazette, make the Act applicable to any factory or establishment employing less than twenty but not less than ten persons.

The Act is enforced through the Central Industrial Relations Machinery (CIRM). CIRM is an attached office of the Ministry of Labour and is also known as the Chief Labour Commissioner (Central) [CLC(C)] Organisation. It is headed by the Chief Labour Commissioner (Central).

The key provisions of the Act are:

- According to the Act, the term „employee“ means “any person employed on a salary or wage not exceeding three thousand and five hundred rupees per men seem in any industry to do any skilled or unskilled manual, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied.”
- An employee is entitled to be paid by his employer a bonus in an accounting year subjected to the condition that he/she has worked for not less than 30 working days of that year.
- An employer shall pay minimum bonus at the rate of 8.33% of the salary or wages earned by an employee in a year or one hundred rupees, whichever is higher. Here it is not required that the employer has any allocable surplus in the accounting year. However, where an employee has not completed fifteen years of age at the beginning of the accounting year, the minimum bonus payable is 8.33% or sixty rupees, whichever is higher.

- In any accounting year, if the allocable surplus exceeds the amount of minimum bonus payable to the employees, the employer shall in lieu of such minimum bonus, be bound to pay bonus (maximum bonus) equivalent to the amount which shall not exceed 20% of the salary or wages earned by employees.
- In computing the allocable surplus, the amount set on or the amount set off shall be taken into account. In other words:- (i) If, in any accounting year, the allocable surplus exceeds the amount of maximum bonus payable to the employees in the establishment, then the excess surplus is carried forward for being set on in the succeeding accounting year and so on up to and inclusive of the fourth accounting year for the purpose of payment of bonus; or (ii) If there is no or less allocable surplus in respect of that year, then such a shortfall is carried forward for being set off in the succeeding accounting year and so on up to and inclusive of the fourth accounting year.
- Where in any accounting year, any amount has been carried forward and set on or set off, then in calculating bonus for the succeeding accounting year, the amount of set on or set off carried forward from the earliest accounting year shall first be taken into account.
- All amounts payable to an employee by way of bonus under this Act shall be paid in cash by his employer within a month from the date on which the award become enforceable or the settlement comes into operation, in respect of any dispute regarding payment of bonus. However, in any other case, it shall be paid within a period of eight months from the close of the accounting year. However, the Government may order, upon receiving application made to it by the employer and for sufficient reasons, to extend the said period of eight months to such further period or periods as it thinks fit, such that that the total period so extended shall not, in any case, exceed two years.
- An employee shall be disqualified from receiving bonus if he/ she are dismissed from service for: (i) fraud; or (ii) riotous or violent behaviour while on the premises of the establishment; or (iii) theft, misappropriation or sabotage of any property of the establishment.

2.4.1 Standard of Living in India

During the course of this century, the concept of the standard of living has undergone considerable changes. The changes are in conformity with the changing patterns and modes of civilized existence. Broadly speaking, it may be taken to mean the state of economic life of the people. It, however, depends not only upon economic condition of the people, but also on the state of education and social development. An analysis of the standard of living becomes a study of the constantly changing patterns of income and expenditure. Such an attempt is made in the pages that follow.

With the intellectual ferment and the spirit of modern education, many of the old ways of the life appeared to be insipid and contrary to the new outlook on life. The liberal ideas being advocated during the national liberation movement and the influence of democratic government have gradually changed the ideas of the standard of living of individuals.

The material resources of life have been gradually increasing. Though the increase in population counteracted, to some degree, the increase in the material resources, the available aids to economic life are obviously better than before. Diversification of agricultural and mechanical production has resulted in the better supply of a number of new commodities. A number of articles of luxury, such as, radio sets, almirahs, wrist-watches and fashionable garments, which were rarely found before, have become more common.

Besides the aids to economic life, social amenities, which have a definite impact on the standard of living of the people, have increased immensely. Educational facilities, which were meagre, are available now to a great extent. Almost every sizable village has a primary school; every town or a bigger village has a high school. In Amravati district, there are colleges imparting instruction in various faculties, such as, arts, science, commerce, law, medicine, engineering, agricultural science, etc.

A number of public as well as private libraries, recreational centres, cinema houses, community radio sets, etc. have contributed towards the bettering of the standard of living of the community as a whole. They have a strong impact on the outlook of the people.

For purposes of analysis, the standard of living of the people is conceived to be determined by six factors, viz. (1) income (2) volume and pattern of consumption (3) cost of living as reflected in the prices of consumer goods (4) state of education (5) social amenities and (6) housing conditions.

Check your progress 3

1. Wages refers to the total pay package that an employee receives on a periodic basis.
 - a. True
 - b. False
2. A remunerative wage structure is the dominating force, which motivates employees to contribute their maximum worth to the enterprise.
 - a. True
 - b. False
3. The key factor that determines the wage rate is the bargaining capacity of the employer and employees.
 - a. True
 - b. False
4. Remuneration based upon the amount of time spent on the work is called ____
 - a. Piece Rate System
 - b. Time Rate System
 - c. Incentive Wage Plan
5. The workers get additional wages based upon their efficiency in addition to the minimum guaranteed wages.
 - a. Piece Rate System
 - b. Time Rate System
 - c. Incentive Wage Plan
6. The wages are based upon the amount of work done by the workers in ____
 - a. Piece Rate System
 - b. Time Rate System
 - c. Incentive Wage Plan
7. Payment of Wages Act, A central legislation, which has been enacted to regulate the payment of wages to workers was implemented in ____
 - a. 1948
 - b. 1936
 - c. 1965

8. The act that was enacted to safeguard the interests of workers, mostly in the unorganised sector by providing for the fixation of minimum wages in certain specified employments.
 - a. Payment of Wages Act
 - b. The Minimum Wages Act
 - c. Payment of Bonus act
9. The law that was enacted in 1965 to provide for the payment of bonus to persons employed in certain establishments on the basis of profits or productivity and for the matters connected therewith.
 - a. Payment of Wages Act
 - b. The Minimum Wages Act
 - c. Payment of Bonus act

2.5 Unemployment and Employment

In India, due to the agrarian sector with seasonal operations time disposition and availability for work have been the criteria for measuring employment. The accepted method of measuring employment is the usual status. Reliable estimates of employment/unemployment are generated through National Sample Surveys conducted once in five years by National Sample Survey Organisation (NSSO). The concept recognises time utilization only. Quality of work or income is not reflected in the approach.

As per the results of the National Sample Survey conducted in 1999-2000, total work force as on 1.1.2000, as per Usual Status approach (considering both principal and subsidiary activities) was of the order of 406 million. About 7 % of the total work force is employed in the formal or organised sector (all public sector establishments and all non-agricultural establishments in private sector with 10 or more workers) while remaining 93% work in the informal or unorganised sector. The size of the Organised Sector employment is estimated through the Employment Market Information Programme of DGE&T, Ministry of Labour. The capacity of the organised sector to absorb additional accretion to the labour force, taking into account the current accent on modernization and automation, is limited. In other words, an overwhelming proportion of the increase in the labour force will have to be adjusted in the unorganised sector. About 369 million workers are placed today in unorganised/informal sector in India; agriculture workers account for the majority of this work force.

Salient points on employment and unemployment scenario are:

- The rate of growth of employment declined sharply from 2.04% per year in the period 1983-94 to only 0.98% per year in the period 1994 to 2000.
- There was sharp deceleration in the growth of labour force from 2.05% in the period 1983-94 to only 1.03% in the period 1994-2000.
- Growth rate of employment is less than the growth rate of the labour force indicating an increase in the unemployment rate.
- The open unemployment which is of the order of 9 million is not significant compared to the size of the population in the country.
- Though, open unemployment is only 2.23% (9 million), the percentage of the population below the poverty line is as high as 26.1%. The fact of being employed is obviously no guarantee of escaping from poverty, which in our situation refers to a very basic level of subsistence.
- Percentage of population below the poverty line which was of the order of 36% in 1993-94, has come down to 26.1% indicating that during the period 1994-2000 improvement in the income level of the employed had taken place.
- Organised sector employment is not growing and its share is only 7% of the total employment.
- There was decline in self-employment whereas regular salaried and casual employment showed an increasing trend during 1993-94 to 1999-2000.
- There was substantial increase in the average daily wage earnings in the rural areas.

2.5.1 Employment Generation in India

- 7% of the total employed is in the organised sector, i.e. unorganised sector dominates in the employment scenario.
- Additional employment generation in the organised sector is not significant i.e., scope for additional wage employment in the organised sector continued to be less.
- Significant employment generation took place in the tertiary sector particularly in services industries.
- Substantial employment growth was observed in the small and unorganised sector, i.e., in small and tiny enterprises.

- Self-employment and casual labour continued to play a pivotal role in rehabilitation of the unemployed.

2.5.2 Trends in employment and unemployment

Salient points that emerge out from the data are:

- Both growth of population and labour force have shown substantial decrease. This is a positive signal. While the reduction in growth rate of population may be due to special efforts of the Government and the awareness among the people, the reduction of growth rate of the labour force to such an extent has not yet been fully explained. One of the reasons may be that more children (particularly girls) are joining educational institution rather than joining the labour force.
- Growth of employment during 1994-2000 has substantially gone down and growth in absolute term is not much. Whatever growth has occurred was in informal sector where quality of employment is poor.
- Since labour force growth has substantially come down the decrease in growth of employment does not distort the overall employment and unemployment scenario.
- Little Growth in the organised sector employment has been noticed in the private sector. Public sector has shown a negative growth. Share of public sector in the overall organised sector employment being around 3/4th the increase in private sector employment cannot change the organised sector scenario.
- Organised sector employment has not improved in spite of various policy incentives through plan exercises, globalisation and economic liberalisation. Growth of informal sector has been primarily on account of necessity. Therefore to what extent employment generation through normal growth process, where economic growth in terms of GDP is attempted, took place or can take place is a subject of debate. If unemployment is considered a major issue then question is whether we should have employment objective rather than growth objective in our national plan.
- Growth in the organised sector, particularly of small size is hindered by local politics. Small size organised sector is subjected to various pressures e.g. providing employment to persons without any skill, cash subscriptions etc. which the establishment may not be able to sustained. The result is

either the enterprise is not viable or the entrepreneur finds investment risky.

- Due to various reasons, which include avoiding labour laws, the entrepreneur prefers to remain on small scale in various locations.
- Market being too much competitive in view of globalisation and economic liberalisation, marketing of product by small enterprise may be difficult.
- Growth rate of employment and growth rate of the economy appears to be uncorrelated. Therefore, projection of employment on the basis of GDP growth (by calculating employment elasticity) appears to be not logical. Such projections are being used by Planning Commission and we always find that it is always off the target.
- Unemployment Rate in India decreased to 4.90 percent in 2013 from 5.20 percent in 2012. Unemployment Rate in India averaged 7.32 percent from 1983 until 2013, reaching an all-time high of 9.40 percent in 2009 and a record low of 4.90 percent in 2013.

Check your progress 4

1. National Sample Surveys conducted once in _____ years by National Sample Survey Organisation (NSSO).
a. 10 years
b. 5 years
c. 6 years
2. The size of the Organised Sector employment is estimated through the Employment Market Information Programme of DGE&T, under the _____
a. Ministry of Labour
b. Ministry of health
c. Finance ministry
3. In India Self-employment and casual labour continues to play a pivotal role in rehabilitation of the unemployed.
a. True
b. False

2.6 Social Security and State Policy

Social security is one of the pillars on which the structure of a welfare state rests and it constitutes the hard core of social policy in most countries. It is through social security measures that the state attempts to maintain every citizen at a certain prescribed level below which, no one is allowed to fall. It is the security that society furnishes through appropriate organisation, against certain risks to which its members are exposed (ILO, 1942). Social security system comprises health and unemployment insurance, family allowances, provident funds, pensions and gratuity schemes and widows and survivors' allowances. The essential characteristics of social insurance schemes include their compulsory and contributory nature; the members must first subscribe to a fund from which benefits could be drawn later. On the other hand, social assistance is a method, according to which benefits are given to the needy persons, fulfilling the prescribed conditions, by the government out of its own resources.

The present section reviews labour welfare activities in India with particular emphasis on the unorganised sector. Although provisions for workmen's compensation in case of industrial accidents and maternity benefits for women workforce had existed for long, a major breakthrough in the field of social security came only after independence. The Constitution of India (Article 41) laid down that the State shall make effective provision for securing the right to public assistance in case of unemployment, old age, sickness and disablement and in other cases of underserved want. The Government took several steps in compliance of the constitutional requirements. The Workmen's Compensation Act (1926) was suitably revised and social insurance programmes were developed for industrial workers. Provident funds and gratuity schemes were introduced in most industries and maternity legislation was over hauled. Subsequently, State governments instituted their own social assistance programmes. The provisions for old age comprise pension, provident fund and gratuity schemes. All the three provisions are different forms of retirement benefits. Gratuity is a lump sum payment made to a worker or to his/her heirs by the company on termination of his/her service due to retirement, invalidity, retrenchment or death (Vajpayee and Shanker, 1950).

All labour welfare measures have the following objectives:

- Enabling workers to live richer and more satisfactory lives.
- Contributing to the productivity of labour and efficiency of the enterprise.
- Enhancing the standard of living of workers by indirectly reducing the

burden on their purse.

- Enabling workers to live in tune and harmony with services for workers obtaining in the neighbourhood community where similar enterprises are situated.
- Based on an intelligent prediction of the future needs of the industrial workers, designing policies to cushion off and absorb the shocks of industrialization and urbanization to workers.
- Fostering administratively viable and essentially developmental outlook among the workforce
- Discharging social responsibilities

There are a variety of laws enacted and schemes established by the Central/State Governments with a view to provide social security and welfare to specific categories of working people.

2.6.1 Programmes of the Central Government

The principal social security laws enacted centrally are the following:

- The Workmen's compensation Act, 1923 (WC Act).
- The Employees State Insurance Act, 1948 (ESI Act).
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1953 (EPF & MP Act).
- The Maternity Benefit Act, 1961 (MB Act).
- The Payment of Gratuity Act, 1972 (PG Act).

The EPF & MP Act is administered exclusively by the Government of India through the EPFO. The cash benefits under the ESI Act are administered by the Central Government through the Employees State Insurance corporation (ESIC), whereas medical care under the ESI Act is administered by the State Government and Union Territory Administration. The Payment of Gratuity Act is administered by the Central Government in establishments under its control-establishments having branches in more than one State, major ports, mines, oil fields and the Railways and by the State Governments and Union Territory Administrations in all other cases. In mines and circus industry, the provisions of the Maternity Benefit Act are being administered by the Central Government through the Chief Labour Commissioner (Central) and by the State Governments

in factories, plantations and other establishments. The provisions of the WC Act are being administered exclusively by State Governments.

2.6.2 Programmes of the State Sector

Important programmes undertaken by the State Governments relate to diversification and expansion of the vocational training programme, improvement in the quality of training and extension of training opportunities for women, the World Bank-assisted Vocational Training Project, extension and modernization of employment services, strengthening of labour administration, rehabilitation of bonded labour, welfare of rural and urban unorganised labour etc.

Some of the State Governments have attempted to enhance the utility of the employment service set-up. The Government of Gujarat has attempted to utilize the employment service set-up at the Taluka level by bringing the job seekers and the job providers together in Bharti Melas. The Maharashtra Government, in its programme of state-wide employment guarantee, intends to use the employment exchanges to identify the beneficiaries. The West Bengal Government has provided unemployment allowance to those registered and in the process has generated some information on the number of unemployed persons in the State by identifying them.

States have also introduced various social security schemes. The Governments of Gujarat, Kerala, Karnataka and Madhya Pradesh have insurance schemes for the landless agricultural labourers. This needs to be extended to the entire country. Karnataka, Kerala and Tamil Nadu demonstrated the viability and potential of the old age pension scheme. Some form of social assistance is also given to the workers in the unorganised sector. This could be considered by the other states.

Most of the States have strengthened their enforcement machinery to implement various labour laws. The Assam Government has been implementing the Minimum Wages Act very meticulously. Many States and Union Territories have appointed competent authorities under the Equal Remuneration Act, 1976 and have also set-up Advisory Committees under the Act. Kerala State has introduced the Regulation of Employment and Conditions of Service Act“ for building and other construction workers. Various welfare schemes are operated in some states. The Assam Government has the Assam Tea Welfare Board to promote the welfare of plantation workers. The State of Kerala has introduced many Welfare Fund Acts for unorganised workers and has schemes to implement

them. These Acts relate to Handloom Workers, Agricultural Workers, Abkari Workers, Auto Rikshaw Workers, Tailoring Workers, Kerala Etta, Kattuvalli, Thazha workers and Beedi and Cigar Workers.

2.6.3 Existing Models of Social Security and Labour Welfare

Since India has committed to the welfare of the marginalized sections of the society, the government has taken upon itself the delivery of all types of social services and social security. There are mainly three types of social security models: employers' liability, social insurance and social assistance. The last category includes welfare funds of Central government, welfare funds of State government, subsidized insurance schemes and other forms of social assistance. The beneficiaries of the first (employers' liability) are mainly workers in the organised sector, whereas under social assistance, the beneficiaries are both workers in the organised sector and workers in the informal sector. The later belong generally to the marginalized sectors. In the context of growing privatizations of services on the one hand and the growing awareness and organisation of the oppressed sections of workers on the other, it is necessary to search for models of effective social security provision to all the unorganised sector workers- breadwinner and maternity through the National Old Age Pension Scheme, National Family Benefit Scheme and the National Maternity Benefit Scheme respectively. Under the National Old Age Pension Scheme, Central assistance is provided to States for payment of old age pension to persons who are of the age of 65 years or more. In addition to the National Old Age Pension Scheme, all State governments and Union territories have their own old-age pension schemes.

Social security for the unorganised workers cannot be reached by centralising and standardizing schemes; they can be reached by workers themselves to take initiative (Subramanya, 1994). People remain weak and vulnerable partly because they are unorganised and hence isolated and powerless. The provision social security can itself be a means that would lead the unorganised sector workers to organise and become empowered. Security of needs like food, health care, housing and child care is empowering for vulnerable unorganised sector workers and helps them to alter their bargaining positions in the market (Sen and Dreze, 1990). Centralised non-participatory systems tend to be disempowering, while participatory and beneficiary-run systems lead the workers to organise themselves.

2.6.4 Legislative Protection

The Government has taken various initiatives through enactment of legislations, creation of welfare funds, spreading workers education and through supporting non-governmental organisations to bring this deprived class into the mainstream of our work force. Some of the important legislations that help unorganised workers are as under:-

- Minimum Wages Act, 1948
- Workmen's Compensation Act, 1923
- Maternity Benefit Act, 1961
- The Employees State Insurance Act, 1948
- Bonded Labour System (Abolition) Act, 1976

Check your progress 5

1. _____comprises health and unemployment insurance, family allowances, provident funds, pensions and gratuity schemes and widows and survivors' allowances
 - a. National health system
 - b. Social security system
 - c. National security system
2. A method, according to which benefits are given to the needy persons, fulfilling the prescribed conditions, by the government out of its own resources.
 - a. employment assistance
 - b. social assistance
 - c. marriage assistance
3. Which article in Indian Constitution laid down that the State shall make effective provision for securing the right to public assistance in case of unemployment, old age, sickness and disablement and in other cases of underserved want?
 - a. Article 35
 - b. Article 40
 - c. Article 41

2.7 Let Us Sum Up

To conclude, according to the available standard data sources, in India around 40 to 45 per cent of the population is labelled as workers and the worker to population ratio has remained approximately stable since independence. Moreover the recorded data on participation of women in the workforce throughout this period has been constantly lower, by close to 20 percentage points, than that of men. The recent official estimates of worker to population ratio for females for the country as a whole are in the range of 25 to 30 per cent, with significant variations across socio-economic categories, different states and between urban and rural areas. According to the survey of 2004-05, the country's labour force size was estimated as 469 million and of this huge mass, a majority of more than 75 per cent are living in the rural regions. So in India always there exist various economic problems related to labour. We know that the wages refers to the total pay package, which an employee receives on a periodic basis. Even though the population increase neutralized, to some extent, the increase in the material resources, the accessible methods for an economic life in India is apparently better an before.

A strong, capable and devoted work force is the most valuable asset of a successful organisation. In India, consistent estimates of employment/unemployment are generated through National Sample Surveys conducted once in five years by National Sample Survey Organisation (NSSO). The labour policy initiatives are based on these surveys and are intended to create a constructive environment for a deliberate effort, helping industrial promotion and reinforcement along with legislative and structural changes. It's apparent that

Social security is considered as one of the pillars on which the composition of a welfare state rests and in most of the countries it constitutes with firm social policies. So in India also there are a variety of laws enacted and schemes established by the Central and State Governments with a vision to offer social security and welfare to definite class of working people.

2.8 Answers for Check Your Progress

Check your progress 1

Answers: (1-c), (2-b), (3-c)

Check your progress 2

Answers: (1-c), (2-a)

Check your progress 3

Answers: (1-a), (2-a), (3-a), (4-b), (5-c), (6-a), (7-b), (8-b), (9-c)

Check your progress 4

Answers: (1-b), (2-a), (3-a)

Check your progress 5

Answers: (1-b), (2-b), (3-c)

2.9 Glossary

1. **Enrol** - Register
2. **Overwhelming** - great
3. **Arbitrary** - chance
4. **Dominate** - control
5. **Remedy** - solution

2.10 Assignment

Make a study on the recent causes of unemployment in India and suggest legislative measures to alleviate the situation.

2.11 Activities

1. Make a list of 50 persons (25 men and 25 women) of age group 20 to 30 from your neighbourhood.
2. Find out how many of them are employed and unemployed.
3. Compare the number of men employed to that of women.

2.12 Case Study

A recent survey conducted by a non-governmental organisation, Shelter Associates and a community based federation of slum dwellers „Bhaandhan“ together with local Municipal Corporation in Pune across 211 slumps reveals that the occupations of the people vary from class IV employees to small entrepreneurs. Majority of the women were house maids, sweepers and there were also computer professionals, nurses and even a doctor among them. For both working husband and wife a household received a monthly income of minimum 10000 INR.

1. Describe the social and economic features of Indian labour force with reference to the case study given.

2.13 Further Readings

1. The Essence of Personnel Management and Industrial Relation, Alan Cowing & Phillip James, Prentice Hall of India Pvt. Ltd. , 1997.
2. Industrial Relation, Monal Arora, Excel Books.
3. Industrial Relations, Sharma A. M., Himalaya Publishing House, 2007.

Block Summary

This block explained the different aspects related to the labour force in India. The role of the increase or decrease in population in constituting the countries work force and the resulting trends of the unemployment and the employment were also discussed in detail. The information about the formal and informal type of work force in India was also included in this block. The block also explained about the division of Indian labour in terms of gender. The relation between wage and standard of living especially in India was also discussed in detail. The detailed study of unemployment and employment along with the generation of employment in India was also highlights of this block. Different social security programs organised by central and state governments of India were also explained in this block.

It's evident that the Indian labour force is swiftly expanding though there considerably low growth in the employment sector. The people of the developing countries, such as India, cannot afford to sit unemployed and as result if paid work is not available, they occupy themselves in some kind of self-employment. Thus, it is hardly unpredicted that India's labour market has been considered by the presence of a very considerable segment being self-employed. And most of these Indians who are self-employed and are under the poverty line .Majority of the labour in India are seasonal and nearly 30 per cent are casual workers who are paid only when they get work. The Indian labour force consists of only 10 per cent regular employees, of which two-fifths are employed in the public sector. While considering the age structure of the work force it can be noticed that 7.5 per cent of India's population come in the age group 60 and above. Moreover the high rate of growth in the employment related to non-agriculture compared to that of agriculture did not bring major changes in workforce structure .The available data points out that in India around 40 to 45 per cent of the population can be labelled as workers and the ratio between the worker and the population ratio has been constant since independence. Moreover the data on women participation in the workforce in this period has been constantly low. But, recent official estimates of worker to population ratio for females for the country as a whole are in the range of 25 to 30 per cent, with significant variations across socio-economic categories, different states and between urban and rural areas.

So in India always there exist various economic problems related to labour. A strong, capable and dedicated work force is the most valuable plus point of a victorious organisation. In order to acquire, maintain and expand such workforce or employees, it is essential that they are properly remunerated for their services.

In India, the setting up of “The Committee on Fair Wage” was a most important milestone in the history of implementation of wage policy. Its suggest setting up of the key concepts like the „living wage“, „minimum wage“ and „fair wage“, in addition to the recommendation of guidelines for wage fixation.

Block Assignment

Short Answer Questions

1. Unemployment in India.
2. Economic Problems of Labour.
3. Economic Classification of labour.
4. Wages in India.
5. Background of Indian Labour.
6. Social Security.
7. Programmes of the State Governments Standard of living in India.
8. Minimum Wages Act, 1948 Problems of labour.
9. Economic problems of labour workforce in rural areas.
10. Self-employment in India Occupational Classification of labour force.
11. Employment in Informal sector.

Long Answer Questions

1. Explain the different Legislations enacted to regulate Wages in India.
2. Comment on the economic problems of Labour in Rural areas. Give suitable examples.
3. Discuss the recent trends in unemployment and employment in India.

Enrolment No.

1. How many hours did you need for studying the units?

Unit No	1	2	3	4
Nos of Hrs				

2. Please give your reactions to the following items based on your reading of the block:

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any Other Comments

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INDUSTRIAL RELATION AND LABOUR LAW





ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self-instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual-skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is particularly so with the

exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self-instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)



PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect.

All the best for your studies from our team!



INDUSTRIAL RELATION AND LABOUR LAW

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BLOCK 2: TRADE UNION AND INDUSTRIAL RELATION

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BLOCK 2: TRADE UNION AND INDUSTRIAL RELATION

Block Introduction

It has been noticed that in every company trade unions play a vital role to protect jobs and real earnings, secure better conditions of work and life, and fight against exploitation and arbitrariness to ensure fairness and equity in employment contexts. The industrial relation can be referred to all types of relationships linking all the parties concerned with industry. We all know that the two parties involved are the employees and the management or the employer. As both the parties have common interest in the industry their interest may often lead to clashes resulting in industrial unrest.

The block explains the development of Trade Unions and their relation between the Union and Management. The role played by the trade unions in the socialist countries is also discussed in detail. Various topics related to trade unions such as workers education, study of disputes and collective bargaining are also discussed. The diverse methods used for the settlement of disputes such as conciliation, arbitration and adjudication along with the tripartite Labour convention in India is also explained in this block.

Unit 1 provides general overview about what is a trade Union. It also covers about the growth of Trade Unions in Democratic Settings. The relation between the trade union and management and the role of trade unions in socialistic countries are also detailed in this unit. The unit also provides the importance of workers education. Unit 2 provides a glimpse on Industrial relations. The scope of the study of disputes in the industries and their nature is studied in this unit. The concept of Collective Bargaining and settlement of disputes through different methods such as Conciliation, Arbitration, and Adjudication is covered in detail. A detailed topic on Tripartite Labour convention in India is also enclosed in this unit.

Block Objective

After learning this block, you will be able to understand:

- What is a trade union?
- The role trade union in an industry.
- The concept of collective bargaining.
- The growth and history of Trade Unions in India.
- The importance of industrial relations.
- What is an industrial dispute and what are methods adopted to solve it.

Block Structure

Unit 1: Trade Union

Unit 2: Industrial Relations

UNIT 1: TRADE UNION

Unit Structure

- 1.0 Learning Objectives**
- 1.1 Introduction**
- 1.2 Growth of Trade Unions and Democratic Settings**
- 1.3 Union Management Relations**
- 1.4 Role of Trade Unions in Socialist Countries**
- 1.5 Workers Education**
- 1.6 Let Us Sum Up**
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- 1.9 Assignment**
- 1.10 Activities**
- 1.11 Case Study**
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1.0 Learning Objectives

After learning this unit, you will be able to understand:

- Define trade unions and their growth in India.
- Outline Union Management relations.
- Explain the role of Trade Unions in India.
- Advocate education for workers.
- Discuss industrial relations and disputes.
- Classify Industrial Disputes.
- Comment on settlement of industrial disputes in India.

1.1 Introduction

Trade unions are unique organizations whose role is variously interpreted and understood by different interest groups in the society. Traditionally, trade unions' role has been to protect jobs and real earnings, secure better conditions of work and life and fight against exploitation and arbitrariness to ensure fairness and equity in employment contexts. In the wake of a long history of union movement and accumulated benefits under collective agreements, a plethora of legislations and industrial jurisprudence, growing literacy and awareness among the employees and the spread of a variety of social institutions including consumer and public interest groups, the protective role must have undergone a qualitative change. It can now be said that the protective role of trade unions remains in form, but varies in substance.

1.2 Growth of Trade Unions and Democratic Settings

1) The First Strike

Here is one statement of a witness of the oppression carried out at the ginning and processing factories of Khandesi: "The same set of hands, men and women, worked continuously day and night for eight consecutive days. Those who went away for the night returned at three in the morning to make sure of being in time when the doors opened at 4 a.m. and for 18 hours' work, from 4 a.m. to 10 p.m., three or four annas was the wage. When the hands are absolutely tired out, new hands are entertained. Those working these excessive hours frequently died."

On the background of such instances, the origin of the trade union movement can be traced to sporadic labour unrest dating back to 1877, when the workers at the Empress Mills at Nagpur struck following a wage cut. In 1884, 5000 Bombay Textile Workers submitted a petition demanding regular payment of wages, a weekly holiday and a mid-day recess of thirty minutes. It is estimated that there were 25 strikes between 1882 and 1890.

These strikes were poorly organized and short lived and inevitably ended in failure. The oppression by employers was so severe that workers preferred to quit their jobs rather than go on strike. Ironically, it was to promote the interests of the British industry that the conditions of workers were improved. Concerned about low labour costs, which gave an unfair advantage to Indian factory made goods,

the Lancashire and Manchester Chambers of Commerce agitated for an inquiry into the conditions of Indian Workers.

2) The First Factories Act

In 1875, the first committee appointed to inquire into the conditions of factory work favoured legal restriction in the form of factory laws. The first Factories Act was adopted in 1881. The Factory Commission was appointed in 1885. There was another Factories Act in 1891 and a Royal Commission on Labour was appointed in 1892. Restrictions on hours of work and on the employment of women were the chief gains of these investigations and legislation.

3) The First Workers' Organisation in India

Quite a large amount of pioneering work was done with remarkable perseverance by some eminent individuals, notably Narayan Lokhande, who can be treated as the Father of India's Modern Trade Union Movement. The Bombay Millhands' Association formed in 1890 under the leadership of Narayan Lokhande was the first workers' organization in India. Essentially a welfare organization to advance workers' interests, the Association had no members, rules and regulations or funds. Soon a number of other organizations of a similar nature came up, the chief among them being the Kamgar Hitavardhak Sabha and Social Service League. Organizations, which may more properly be called trade unions, came into existence at the turn of the century, notable among them being the Amalgamated Society of Railway Servants of India and Burma and Unions of Printers in Calcutta. The first systematic attempt to form a trade union on permanent basis was done in 1906 in the Postal Offices at Bombay and Calcutta. By the early years of the 20th century, strikes had become quite common in all major industries. Even at this time. There were visible links between nationalist politics and labour movement. In 1908, mill workers in Bombay went on strike for a week to protest against the conviction of the nationalist leader Bal Gangadhar Tilak on charges of incitement to rebellion. There was also an outcry against the indenture system, by which labour was recruited for the plantations, leading to the abolition of the system in 1922.

4) Madras Labour Union

The Madras Labour Union was founded in 1918. Although it was primarily an association of textile workers in the European owned Buckingham and Carnatic Mills, it also included workers in many other trades. ThiruVi. Ka.and B.

P. Wadia, the nationalist leaders founded the Union. The monthly membership fee of the union was one anna. The major grievances of workers at this time were the harsh treatment meted out to Indian labour by the British supervisors and the unduly short mid-day recess. The union managed to obtain an extension of the recess from thirty to forty minutes. It also opened a cheap grain shop and library for its members and started some welfare activities.

There was a major confrontation between the union and the management over the demand for a wage increase, which eventually led to a strike and lockout. The management filed a civil suit in the Madras High Court, claiming that Wadia pay damages for inciting workers to breach their contract. As there was no legislation at this time to protect the trade union, the court ruled that the Madras Labour Union was an illegal conspiracy to hurt trading interests. An injunction was granted, restraining the activities of the union. The suit was ultimately withdrawn as a result of a compromise whereby all victimized workers, with the exception of thirteen strike leaders, were reinstated and Wadia and other outside leaders severed their link with the union. Against this background, N.M. Joshi introduced a bill for the rights of a Trade Union. But the then member for Industries, Commerce and Labour himself promised to bring legislation in the matter and the Trade Union Act of 1926 was enacted.

By this time many active trade union leaders, notably N. M. Joshi, Zabwalla, Solicitor Jinwalla, S. C. Joshi, V. G. Dalvi and Dr. Baptista, came on the scene and strong unions were organised specially in Port Trust, Dock staff, Bank employees (especially Imperial Bank and currency office), Customs, Income-Tax, Ministerial staff etc.

5) Textile Labour Association

About the same time as the Madras Labour Union was being organized, Anusuya Ben Sarabhai had begun doing social work among mill workers in Ahmedabad, an activity which was eventually to lead to the founding of the famous Mazdoor Mahajan - Textile Labour Association, in 1920. Gandhi declared that the Textile Labour Association, Ahmedabad, was his labouratory for experimenting with his ideas on industrial relations and a model labour union. He was duly satisfied with the success of the experiment and advised other trade unions to follow it.

There were a number of reasons for the spurt in unions in the twenties. Prices had soared following World War I and wages had not kept pace with inflation. The other major factor was the growth of the nationalist Home Rule

Movement following the war, which nurtured the labour movement as part of its nationalist effort. At this time, the workers had no conception of a trade union and needed the guidance of outside leaders. The outsiders were of many kinds. Some were philanthropists and social workers (who were also politicians). They saw in the labour class a potential base for their political organization. The politicians were of many persuasions including socialists, Gandhians who emphasized social work and the voluntary settlement of disputes and communists.

6) Formation of AITUC

The year 1920 also marked the formation of the All India Trade Union Congress (AITUC). The main body of labour legislation and paradoxically enough even the formation of the AITUC owes virtually to the activities of the International Labour Organisation (ILO). It was considered that the origin of the First World War was in the disparities between the developed and undeveloped countries. As a result, the treaty of Versailles established two bodies to cure this ill, viz. the League of Nations and the ILO. India was recognized as a founder member of the latter.

This is a tripartite body on which each member state nominates its representatives. For the foundational conference of ILO held in 1919, the Government of India nominated N. M. Joshi as the labour member in consultation with the Social Service League, which was then making the greatest contribution for the cause of workers. The ILO has a very exercising machinery to see that various Governments take some actions on its conventions and recommendations. All labour legislations in India owe a debt to these conventions and recommendations of ILO. The formation of India's first Central Labour Organisation was also wholly with a view to satisfy the credentials committee of ILO. It required that the labour member nominated by Government be in consultation with the most representative organization of country's labour. The AITUC came into existence in 1920 with the principal reason to decide the labour representative for ILO's first annual conference. Thus the real fillip to the Trade union movement in India, both in matters of legislation and formation of Central Labour Organisation, came from an international body, viz. ILO and the Government's commitment to that body. Dependence on international political institution has thus been a birth malady of Indian Trade Union Movement and unfortunately it is not yet free from these defects.

The AITUC claimed 64 affiliated unions with a membership of 1,40,854. In 1920 Lala Lajpat Rai, the president of the Indian National Congress became the

first president of AITUC. In 1924, there were 167 Trade unions with a quarter million members in India. The Indian Factories Act of 1922 enforced a ten-hour day.

7) Trade Unions Act

The Indian Trade Unions Act, 1926 made it legal for any seven workers to combine in a Trade Union. It also removed the pursuit of legitimate trade union activity from the purview of civil and criminal proceedings. This is still the basic law governing trade unions in the country.

8) Ideological Dissension

Ideological dissension in the labour movement began within few years of the AITUC coming into being. There were three distinct ideological groups in the trade union organisation: communists led by Shri M. N. Roy and Shri Shripad Amrut Dange, nationalists led by Gandhiji and Pandit Nehru and moderates led by Shri N. M. Joshi and Shri V. V. Giri. There were serious differences between these three groups on such major issues as affiliation to international bodies, the attitude to be adopted towards British rule and the nature of the relationship between trade unions and the broader political movement. The communists wanted to affiliate the AITUC to such leftist international organisations as the League against Imperialism and the Pan-Pacific Trade Union Secretariat.

The moderates wanted affiliation with the BLO and the International Federation of Trade Unions based in Amsterdam, The nationalists argued that affiliation with the latter organisations would amount to the acceptance of perpetual dominion status for the country under British hegemony. Similarly, the three groups saw the purpose of the labour movement from entirely different points of view. The party ideology was supreme to the communists, who saw the unions only as instruments for furthering this ideology. For the nationalists, independence was the ultimate goal and they expected the trade unions to make this their priority as well. The moderates, unlike the first two, were trade unionists at heart. They wanted to pursue trade unionism in its own right and not subjugate it completely to broader political aims and interests.

9) Formation of NTUF

From the mid-twenties of the present century onwards, the communists launched a major offensive to capture the AITUC. A part of their strategy was to start rival unions in opposition to those dominated by the nationalists. By 1928, they had become powerful enough to sponsor their own candidate for election to

the office of the President of the AITUC in opposition to the nationalist candidate Nehru.

Nehru managed to win the election by a narrow margin. In the 1929 session of the AITUC chaired by Nehru, the communists mustered enough support to carry a resolution affiliating the federation to international communist forum. This resolution sparked the first split in the labour movement. The moderates, who were deeply opposed to the affiliation of the AITUC with the League against Imperialism and the Pan - Pacific Secretariat, walked out of the federation and eventually formed the National Trade Union Federation (NTUF). Within two years of this event, the movement suffered a further split. On finding themselves a minority in the AITUC, the communists walked out of it in 1931 to form the Red Trade Union Congress. The dissociation of the communists from the AITUC was, however, short-lived. They returned to the AITUC the moment the British banned the Red Trade Union Congress. The British were the most favorably disposed toward the moderate NTUF. N.M. Joshi, the moderate leader, was appointed a member of the Royal Commission.

The splintering away of the NTUF had cost the AITUC thirty affiliated unions with close on a hundred thousand members. However, the departure of the communists had not made much difference. In any case, the Red Trade Union Congress quickly fell apart and the communists returned to the AITUC. During the next few years, there was reconciliation between the AITUC and NTUF as well. The realization dawned that the split had occurred on issues such as affiliation with international organizations, which were of no concern to the ordinary worker. By 1940, the NTUF had dissolved itself completely and merged with the AITUC. It was agreed that the AITUC would not affiliate itself with any international organization and that political questions would be decided only on the basis of a two-thirds majority.

On the whole, the thirties were a depressing period for Indian labour. There were widespread attempts to introduce rationalization schemes and to affect wage cuts. The wartime inflation also took its toll. While the militant elements on the labour movement fought for the redressal of workers grievances, the movement itself was steeped in political dissent. The popular governments voted to power in the 1937 elections did not measure up to the workers' expectations although prominent labour leaders such as Shri Nanda and ShriGiri had taken over as labour ministers. They did pass some useful legislation; however a major piece of legislation was the Bombay Industrial Disputes Act of 1938, which attempted to

eliminate inter union rivalries by introducing a system recognizing the dominant union.

10) Formation of Indian Federation of Labour

In 1939, when the British unilaterally involved India in World War II, there was another wave of schisms in the labour movement. Congress governments voted to power in the 1937 elections resigned in protest against the country's involvement in an alien war and the nationalists in the AITUC were naturally opposed to the war effort. But Roy and his supporters stood by the British. They founded a rival labour movement in 1941 called the Indian Federation of Labour (IFL). Initially the communists opposed the war effort and British had in fact jailed most of their leaders. However, there was a dramatic volte face in their position in 1942 when Soviet Russia joined the Allies.

In the same year, the nationalists launched the Quit India movement under Gandhi's leadership. The British reacted to these developments by emptying the jails of communists and filling them up with nationalists. With the nationalists in jail, the AITUC was ripe for capture by the communists and they made the most of the opportunity. By the end of the war, there were four distinct groups of trade unionists, two in jail and two out of it. Among the nationalists who were in jail, there had existed for some time a pressure group called the congress socialists.

The two groups outside jail were the Roy faction and communists who had in common their support for the British war effort, but had maintained their separate identities. The stage was set for a formal division of the labour movement, which would reflect the ideological differences. At this juncture, the Government of India became quite active on the labour front and Dr. B. R. Ambedkar, the then Labour Member of the Executive Council to Viceroy with the assistance of S.C. Joshi was engaged and exercised to take action on all the recommendations of the Royal Commission on Labour. At their instance, a fact-finding committee was appointed to study the then existing situation. During 1945-47, most of the present labour legislations were drafted and the conciliation and other machinery were also well conceived. In 1947, the National Government was formed and Shri S. C. Joshi, the then Chief Labour Commissioner, was entrusted with the work of implementing the various provisions of labour law. The whole of the present set up owes a debt to the work that was done by him and Shri V. V. Giri, the former president of India.

11) Formation of INTUC, HMS and UTUC

With the formation of National Government, Sardar Vallbhbhai Patel advocated very strongly the cause of forming a new central organisation of labour. It was his view that the National Government must have the support of organized labour and for this purpose; the AITUC cannot be relied upon since it was thriving on foreign support and used to change its colours according to the will of its foreign masters. So, on 3rd may 1947, the Indian National Trade Union Congress (INTUC) was formed. The number of unions represented in the inaugural meet was around 200 with a total membership of over 5, 75,000. There was now no doubt that the AITUC was the labour organization of the communists and the INTUC, the labour organization of the congress. This was further confirmed when the congress socialists, who had stayed behind in the AITUC, decided to walk out in 1948 and form the Hind Mazdoor Panchayat (HMP). The socialists hoped to draw into their fold all non-congress and non-communist trade unionists. This hope was partly realized when the Roy faction IFL merged with the HMP to form the Hind Mazdoor Sabha (HMS). However, the inaugural session of the HMS witnessed yet another split in the labour movement. Revolutionary socialists and other noncommunist Marxist groups from West Bengal, under the leadership of Shri Mrinal Kanti Bose, alleged that the HMS was dominated by socialists and decided to form the United Trade Union Congress (UTUC). The UTUC is formally committed to the pursuit of a classless society and non-political unionism. In practice, however, many of its members are supporters of the Revolutionary Socialist Party.

By the fifties, the fragmentation of the labour movement on political lines had become a permanent fact. This lack of unity was costing the labour movement dearly. There were periodic attempts at unity, but nothing much came out of them. The INTUC was firmly opposed to any alliance with the communists. The HMS was willing to consider a broad-based unity that would include all groups, but not for any arrangement with the AITUC alone. The major obstacle to unity was the bitter experience the other groups had with the communists in the thirties.

Even in specific industries such as railways, where a merger between rival groups did take place, unity was short-lived. All that could be achieved between rival trade unions were purely local ad-hoc arrangements.

12) Formation of BMS

Before the rise of Bharatiya Mazdoor Sangh, the labour field was dominated by political unionism. The recognized Central Labour Organizations were the

wings of different political parties or groups. This often made workers the pawns in the power-game of different parties. The conscientious workers were awaiting the advent of a national cadre, based upon genuine trade unionism, i.e. an organization of the workers, for the workers and by the workers. They were equally opposed to political unionism as well as sheer economism, i.e. “bread butter unionism”. They were votaries of Rashtranetee or Lokanetee. They sought protection and promotion of workers’ interests within the framework of national interests, since they were convinced that there was no incompatibility between the two. They considered society as the third-and more important-party to all industrial relations and the consumers’ interest as the nearest economic equivalent to national interest. Some of them met at Bhopal on 23 July 1955 (the Tilak Jayanti Day) and announced the formation of a new National Trade Union Center, Bharatiya Mazdoor Sangh.

During the All India Conference at Dhanbad in 1994, BMS has given the clarion call to all its volunteers to be prepared to face the Third World War and Second War of Economic Independence unleashed by the developed countries against the developing countries. The emissaries of the developed countries are the multinational companies who look up to India as an ideal market to sell their outdated consumer products and technologies with a view to siphon out the profits to their respective countries. In fact, there is concerted effort to even change the tastes and outlook of the average Indian through satellite and junk food channels to suit them. One might recall that the Indians were addicted to tea and coffee by the then British rulers by distributing these drinks free of cost during 1940s. Today, not surprisingly, India is the largest consumer of both the beverages. Now in this decade the soft drinks and potato chips rule the roost.

BMS has made it adequately clear that every country that has to develop has to adopt and adapt methods, which suits it, both culturally and economically. Today India needs modernization and not blind westernization. Bms Publications Hindu Economics by Shri M. G. Bokare And Third Way by Mananeeya Dattopant The ngdi are eye-openers to the planners of the nation in this direction. Practising SWADESHI is the only remedy to counter this onslaught. In 1996, in its 41st year, BMS rededicated itself in organizing the unorganized labour in the country (around 93% of the total workforce) with a view to raise their standard of living and protect them against exploitation. Every member of the BMS has donated a minimum of Rs.100 in the 40th year towards the cause.

BMS therefore encourages its workers to undertake social and constructive work along with day-to-day union work. During the Pakistan war, BMS unions suspended their demands and engaged themselves in repairing runways and donating blood for army men.

13) Formation of CITU and UTUC (LS)

By 1965, a splinter group of socialists headed by Shri George Fernandes formed a second Hind Mazdoor Panchayat. The split in the communist movement inevitably divided the AITUC, leading to the emergence of the Centre of Indian Trade Unions (CITU) in 1970. The UTUC was also split into two along ideological lines, the splinter group calling itself UTUC (Lenin Sarani) i.e. UTUC (LS). Regional Trade Union Organisations affiliated to regional political parties such as the DMK, AIADMK and MDMK in Tamilnadu and the Shiv Sena in Maharashtra, have also emerged.

14) CTUOs in India (Central Trade Union Organisations)

At present, there are twelve CTUOs in India as follows:

- Bharatiya Mazdoor Sangh (BMS)
- All India Trade Union Congress (AITUC)
- Centre of Indian Trade Unions (CITU)
- Hind Mazdoor Kisan Panchayat (HMKP)
- Hind Mazdoor Sabha (HMS)
- Indian Federation of Free Trade Unions (IFFTU)
- Indian National Trade Union Congress (INTUC)
- National Front of Indian Trade Unions (NFITU)
- National Labour Organisation (NLO)
- Trade Unions Co-ordination Centre (TUCC)
- United Trade Union Congress (UTUC)
- United Trade Union Congress - Lenin Sarani (UTUC - LS)

Check your progress 1

1. The first committee was appointed to inquire into the conditions of factory work favoured legal restriction in the form of factory laws.
a.1895
b.1875
c. 1865
2. The first Factories Act was adopted in_____.
a. 1891
b. 1880
c. 1881
3. The first systematic attempt to form a trade union on permanent basis was done in_____in the Postal Offices at Bombay and Calcutta.
a. 1806
b. 1906
c. 1886
4. The Madras Labour Union was founded in_____.
a.1819
b.1918
c.1920
5. The year_____also marked the formation of the All India Trade Union Congress (AITUC).
a. 1900
b. 1920
c. 1921
6. The congress socialists, who had stayed behind in the AITUC, decided to walk out in_____and form the Hind Mazdoor Panchayat (HMP).
a. 1945
b. 1947
c. 1948

1.3 Union Management Relations

Employer's and Worker's Organizations exist to express, represent and defend the interest of their members. These interests will frequently diverge and unless a compromise can be found, which is satisfactory to the parties and some time to the government as well, the results may be a labour dispute. Strike is the

weapon of employees and lockout is the counter weapon of the management. Human resource managers in the vast majority of firms have spent most of their time and energies to contain union power. Collective labour disputes happen in organizations based on two reasons. The prior one is based on conflicts of law and later one is based on conflicts of interests. Conflicts of interests are on the wages, hours of work etc. The latter is based on collective agreements or labour laws. The conflict of interest is rapidly increasing in recent days because of rapid globalization and liberalization of interests. The changing labour laws are part of this change process and invites greater resistance from the labourers.

Instead of a hostile attitude, management should develop more cooperative endeavor to manage the unions and develop peace and harmony within the organization. It is necessary to make them understand the importance of existence of industry more for the betterment and improvement of employees and give a better standard of living to them. To ensure it, the management has to make them understand the importance of business advancement, productivity and customer relations. A work culture, which ensures strong union management relation, is the fine solution. A culture of high performance is a symbiosis of workers, trade unions and the management; they equally work towards the organizational goal attainment.

To develop a culture of industrial peace and harmony between management and unions, following principles should be taken into account.

1. Both management and union should have a concern towards customer relations and customer services.
2. Trade union should develop credibility by developing good image within the organization.
3. Management should develop better relationship with the workers and develop good image within the organization.
4. Avoid blind confrontations and believe in rationale cooperation between members and management within the organization.
 - Both management and trade union should share the responsibilities to lead the organization towards goal attainment.
 - The union and management should develop mutual trust and confidence between two parties.
 - Open communication between the two parties should be encouraged.

Trade Union
and Industrial
Relation

- Ensure participative decision-making.
- Arrive at medium and long-term agreements.
- Avoid decisions that affect employee's stability of employment.
- Avoid practice of victimization and marginalization of employees.
- Never manipulate rewards to deserving employees.
- Enhance functioning of the Joint Management Committees, Quality Circles and Shop Councils.
- Arrive at settlement of disputes through mediation than arbitration.
- Arrive at common objective programmers between two parties.
- Ensure transparency in information sharing and communication process.
- Give freedom to point out mistakes of each other.
- Believe in work ethics, professional ethics and managerial ethics.
- Encourage teamwork to reduce the gap between workers and managers within the organization.
- Encourage the feeling of equanimity than superior and inferior complexes.
- Organize workshops, seminars and symposia to make the working population and trade unions conscious about the changes at global and local level.
- Get detached from unrealistic demands and objectives.
- Open up different channels of communication to reduce the trade unions involvement in conflict handling purposes.
- Maintain the negotiation with trade unions and improve the relationship with workers.
- Give opportunity to trade union leaders to visit organizations where there are strong union management relationships.
- Use skill development and rewards as a strategy to make employees to take decisions independently.
- Ensure more power sharing and delegation of authority at unit level.

- Believe in the principle of continuous improvement and commitment to learning.
- Recognize employees as partners in the organizational achievements and advancement.
- Make available an opportunity for training to employees in order to ensure their growth and development within the organization.
- Take suggestions from employees to design the type and kind of decisions they expected to undergo within their functional level.
- Concentrate on job requirement capability match to avoid job stress and dissatisfaction among workers.
- Avoid hasty decisions to avoid union intervention in handling individual member's problem.
- Trade unions should concentrate more on quality of membership than quantity for better bargaining.
- Begin with quality of work and participations than collective bargaining.
- Avoid interventions of legal system to resolve organizational crisis.
- Avoid play politics by trade unions using workers' life.
- Avoid play politics by management to attain short-term goals.
- Make use of games and role-plays to understand each other's position and avoid misunderstandings.
- Do share overall objectives of the organization with working population in its true spirit and cooperation.
- Management and trade unions should arrive at agreements on total quality management and reactivation of joint ventures.
- Workers should practice efficient use of materials and consumables.
- Restrain from unnecessary strike and lockouts.

Check your progress 2

1. Collective labour disputes happens in organizations based on conflicts of _____
 - a. Law and money
 - b. money and interests
 - c. law and interests
2. Instead of a hostile attitude, management should develop more cooperative endeavour to manage the unions and develop peace and harmony within the organization.
 - a. True
 - b. False
3. Management should develop better relationship with the workers and develop good image within the organization.
 - a. True
 - b. False

1.4 Role of Trade Unions in Socialist Countries

The future role of the trade union movement is linked with a broader concern for ensuring the social cohesion of working people in a large and diverse country. Here, examine union strategies in the private corporate sector, in public sector enterprises and in the informal sector. It is imperative for the trade union movement to concentrate on organizing the unorganized, so as to create secure incomes and safe working conditions for those with irregular and precarious jobs.

1. The private corporate sector

On average, private enterprises employ around 30 per cent of all formal sector workers in India; in manufacturing and trade, this proportion is around 70 per cent, whereas in transport, electricity and construction, the figure is less than 5 per cent (Datta Chaudhuri, 1996).

In successful private companies, enterprise-based trade unions (that may or may not be politically affiliated) will have to accept that their pay is partly (if not largely) determined by productivity. Rather than blind resistance to this kind of pay structure, a cooperative strategy may pay greater dividends in terms of gain

sharing at enterprise level. Unions will have to use their “collective voice” effectively in collective bargaining when incentive structures are proposed and negotiated. While the independent unions will find this strategy quite natural, those affiliated to the centralized federations may find it difficult. In either case, the extent to which a union is willing to take a risk will partly determine the composition of pay (performance-based “risk” pay and “steady” pay).

While the majority of contracts in this sector are (and probably always will be) negotiated at enterprise- or plant-level, unions in some organizations, possibly in the multinationals, could concentrate on attaining firm-wide agreements in the face of considerable management opposition. Firm-wide agreements will strengthen union power at the corporate-level and to achieve this, unions may have to trade off some plant-level gains. An example of this situation is being played out at Bata India. The Management recognized the enterprise unions in its various plants across the country, but the loosely united All India Bata Employees Federation is not recognized. It appears that management is willing to talk to the federation if it agrees to restructuring plans at the plant in Faridabad. If the federation agrees to these plans in exchange for management recognition, this would clearly reduce union influence at the plant.

In the older industries in the private sector, where industry-wide bargaining is the dominant structure and where inter-firm differentiation has grown considerably since liberalization, unions and employers are finding it difficult to reach industry-level agreements. Unions will continue to face obstacles to industry-wide solidarity in this sector.

What have been the effects of economic liberalization on the connections between unions and political parties and what has this meant for the private corporate sector? To the extent that most of the centralized trade unions continue to oppose the basic implications of economic liberalization, there has been a surprising reconciliation of unions affiliated to opposing political parties on a range of issues at both regional and national level. There has been a gap between the preoccupations of political parties and the macro-objectives of trade unions since the reforms. This has created a dilemma for most of the unions in this sector: while the loosening of ties with the parent body inevitably leads to greater autonomy in decentralized decision-making, it also means a lessening of centralized lobbying power. Market forces will increasingly dominate union strategies in this sector.

2. Public sector enterprises

On average, the public sector employs around 70 per cent of all formal sector workers in India; in transport, mining, construction, electricity and services, this proportion is high (>80 per cent), but it is considerably lower in agriculture (40 per cent), manufacturing (<40 per cent) and trade (<35 per cent) (Datta Chaudhuri, 1996).

In non-viable public sector enterprises that are ready for closure, most of which are in the East, the situation continues to be very grim. Workers have not been paid for several months and the endless talk of revival now sounds hollow. The closure of these firms seems to be the only solution and unions can do no more than see that lay-offs are implemented fairly and as generously as possible. In several state-owned enterprises and organizations, unions have accepted that privatization is the only way of saving the unit and that informed negotiation is required.

As a result of increased competition from both domestic and international producers, the output of public enterprises and services has improved substantially. Nowhere is this truer than in the state-run airlines. Nevertheless, unions in the public sector, especially those in services such as medicine, education, the police and municipal workers, can substantially increase their credibility by agreeing to enforceable accountability procedures. This would mean internal monitoring, which the unions are reluctant to accept.

Although the government has indicated a preference for decentralization, the centralized bargaining structures have not yet been dismantled. Unions could campaign for a restructured central system that allows for greater local autonomy and minimizes bureaucratic inflexibilities. For the public sector to deliver long-run productivity improvements in the post-liberalization period, unions will have to partly align their objectives with those of the end-user - the average voter/consumer - who has become an important voice in the labour relations system.

3. The informal sector

In terms of union density, India fares rather badly compared to other large developing countries. According to the ILO World Labour Report 1997-98, union membership as a percentage of non-agricultural labour dropped from 6.6 per cent in 1985 to 5.5 per cent in 1995 (the corresponding figure in 1995 for Argentina was 23.4 per cent, Brazil 32.1 per cent and Mexico 31 per cent). Union

membership as a percentage of formal sector workers in India declined from 26.5 per cent to 22.8 per cent between 1985 and 1995 (the corresponding figures in 1995 were Argentina 65.6 per cent, Brazil 66 per cent and Mexico 72.9 per cent). If the figures are derived only from registered unions that submit returns, it is possible that they may somewhat underestimate union density in India. According to the above source, less than 2 per cent of workers in the formal and informal sectors in India are covered by collective bargaining agreements. Clearly, a large proportion of workers (certainly those in the formal sector) fall within the ambit of labour legislation, even though they are not covered by a collective agreement. Nevertheless, it is apparent that considerable organization of workers remains to be undertaken in the Indian economy.

If one were to assume that the formal sector corresponds with the unionized sector (in reality, the unionized sector is a subset of the formal sector), then the following figures give an idea of the extent to which unions in future can organize workers in the various sectors. In total, less than 10 per cent of all workers are in the formal sector. The proportion of workers in this sector by industry groups is: mining and quarrying (56.9 per cent), manufacturing (19 per cent), construction (17.5 per cent), trade (2.1 per cent), transport (38.7 per cent) and services (38.7 per cent). Clearly, there is enormous potential for organising workers in construction, manufacturing and trade. In addition, detailed surveys in several industries have found that the existing unions do not sufficiently represent the interests of casual and temporary workers. Finally, according to National Sample Survey Organization data, there is a “high incidence of women’s involvement in unorganized sector activities, ranging anywhere between 20 to 25 per cent of total employment in urban areas and anywhere between 30 to 40 per cent of total employment in rural areas - figures which far outweigh women’s recorded involvement in productive activities from Census sources” (Mukho padhyay, 1997, p. 485).

In sharp contrast to the formal sector, “the unorganised sector has little by way of protective legislation or union representation” (Anant and Sundaram, 1998, p. 833). In this case, the “not so invisible” forces of demand and supply determine wages and working conditions. There are no automatic cost-of-living adjustments and substantial improvements are required in designing need-based minimum wages for unorganised workers (Jhabvala, 1998) and providing them with assured employment for a minimum number of days (Unni, 1998). In this regard, the government’s recent signal about labour law reform consisting of “umbrella legislation for welfare of unorganized sector workers” as part of the

agenda should be critically examined. The government proposes to relax contract labour laws to generate more jobs, arguing that this would ensure better overall security and welfare provisions for unorganized workers. Unions, however, feel that any such move will only undermine permanent jobs. In any case, there are strong economic reasons why the wages and working conditions of informal sector workers should be improved through welfare legislation. Such measures improve the capabilities of the disadvantaged and vulnerable sections of working people. In the absence of enhanced capabilities, the economy suffers a net loss.

It is clear that unions have a whole range of workers to organize in the coming years, since the majority of labour market entrants will probably work as self-employed or casual/temporary/ contract workers. Visaria and Minhas (1991) estimated that nearly 80 million people will join the labour force between 1990 and 2000. A whole range of non-governmental organizations have successfully organized (not necessarily unionized) several informal sector occupations and sites in India during the last decade, but it seems that these interventions are resented by the established trade union federations as an intrusion into their terrain (often, it is claimed, with financial backing from abroad). These fears are probably unwarranted and cooperation between trade unions and NGOs is required to level up working conditions in these relatively neglected labour markets.

One way of organising workers could be through union mergers and a joint trade union front. However, the later presupposes a certain number of shared objectives among the large centralized trade union federations and this unity is not yet on the agenda. The All India Trade Union Congress, the Hind Mazdoor Sabha and the Indian National Trade Union Congress have talked of mergers and unity, but the Centre of Indian Trade Unions has taken a different approach; they have proposed a confederation of central trade unions which will preserve the individual identities (Muralidhar, 1994). The large unions have considerable differences on the efficacy of a secret ballot system to generate the legitimate bargaining agent. However, one good sign is the increasing willingness of trade union federations to work together in spite of the differences between their political parties on reform. In many states, acute differences are surfacing between political parties and their affiliated unions and these issues are now being openly debated.

It is well known that the informal sector in India contributes significantly to employment generation and to value added in industry. It is also true that there are considerable links between the formal and informal sectors and that there is a

crucial regional dimension to informal sector manufacturing (Shaw, 1990; 1994). The attempt to unionize the unorganized in India has been difficult, although some progress has been made in certain regions with sympathetic state governments. However, in other states, the situation of informal sector workers remains grim and will probably get worse unless there is a concerted effort by trade unions and NGOs, hopefully with the assistance of local and state governments, to level up the labour market institutions of the informal sector. In these endeavors, the organized labour movement should not view NGOs as competitors.

To what extent will alliances between trade unions break the links with their respective political parties? Or, will such alliances lead to the emergence of national unions without explicit political affiliation? It is too early to answer these questions but the tensions between some political parties and their trade union affiliates have come onto the regional and national stage since economic liberalization began in the early 1990s. In the private sector, these tensions emerged during the third phase of unionism and resulted in the proliferation of independent unions. It may be premature to suggest that independent unions, if they can be organized at industry/regional level, will lead to far greater “collective voice” effects and less “monopoly” effects than the existing industrial relations system. With economic liberalization and its effects on regional variations in economic activity, it seems that battles over working conditions will increasingly be fought at local and regional levels. Trade unions will have to forge deep links with neighborhoods and communities, urban movements, environmental groups and regional NGOs to enhance their effective power. Ultimately, it all depends on “public action”, participation in the process of social change. Public action refers not to what the state does for the public, but to action taken by the public (Dreze and Sen, 1989). The trade union movement could trigger this much-needed “public action” through broad-based alliances.

Check your progress 3

1. Unions use their “collective voice” effectively in _____ when incentive structures are proposed and negotiated.
 - a. Collective bargaining
 - b. Individual bargaining
 - c. None of these

apex Training Institute viz. Indian Institute of Workers Education (IIWE) at Mumbai.

Trade Union

The Constitution of India guarantees right to education to the citizens. Article 45 of the Indian Constitution enjoins that the State shall endeavour to provide early childhood care and education for all children until they complete the age of six and fourteen years.” Also Article 21A (which has been inserted by the 86th Amendment in December, 2002 has not yet been brought into force) provides that the State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the State may, by law, determine.

In pursuance of National Child Labour Policy, a Scheme was started in 1988 to rehabilitate child labour. It contains the action plan for tackling the problem of child labour. The Scheme seeks to adopt a sequential approach with focus on rehabilitation of children working in hazardous occupations & processes in the first instance. Under the Scheme, after a survey of child labour engaged in hazardous occupations & processes has been conducted, children are to be withdrawn from these occupations & processes and then put into special schools in order to enable them to be mainstreamed into formal schooling system. The scheme of child labour elimination has been linked with the scheme of Sarva Shiksha Abhiyan of the MHRD in order to ensure that small children in the age group of 5-8 years are directly linked to school and the older children are mainstreamed to the formal education system through the rehabilitation centers; vocational training is also imparted to them.

Check your progress 4

1. _____ addresses a whole range of skills and knowledge, which contribute to the harmonious development of a worker’s personality, his role in the society and the knowledge and attitudes required for such roles.
 - a. Workers compensation
 - b. Workers education
 - c. Workers efficiency
2. The Central Board for Workers Education (CBWE) an autonomous body under the Ministry of Labour & Employment, Government of India was started in _____
 - a. 1958
 - b. 1957
 - c. 1959

3. _____ of the Indian Constitution enjoins that the State shall endeavour to provide early childhood care and education for all children until they complete the age of six and fourteen years.

a. Article 40

c. Article 45

b. Article 41

1.6 Let Us Sum Up

To conclude, trade unions are unique organizations whose role is variously interpreted and understood by different interest groups in the society. Traditionally trade unions role has been to protect jobs and real earnings, secure better conditions of work and life and fight against exploitation and arbitrariness to ensure fairness and equity in employment contexts. Employer's and Worker's Organizations exist to express represent and defend the interest of their members. It's evident that strike is the weapon of employees and lockout is the counter weapon of management in times of dispute. Collective labour disputes happen in organisation based on two reasons. The prior one is that which based on conflicts of law and later one is based on conflicts of interests. Moreover, the future role of the trade union movement is linked with a broader concern for ensuring the social cohesion of working people in a large and diverse country. Workers Education attempts to give workers a better understanding of their status, rights, and responsibilities as workers, as union members, as family members and as citizens.

1.7 Answers for Check Your Progress

Check your progress 1

Answers: (1-b), (2-c), (3-b), (4-b), (5-b), (6-c)

Check your progress 2

Answers: (1-b), (2-c), (3-b), (4-b), (5-b), (6-c)

Check your progress 3

Answers: (1-b), (2-c), (3-b), (4-b), (5-b), (6-c)

Check your progress 4

Answers: (1-c), (2-a), (3-a)

Check your progress 5

Answers: (1-a), (2-a)

Check your progress 6

Answers: (1-b), (2-a), (3-c)

1.8 Glossary

1. **Oppression** - domination
2. **Eminent** - important
3. **Conviction** - belief
4. **Reinstate** - replace
5. **Enact** - perform
6. **Legitimate** - legal
7. **Ideology** - thought
8. **Affiliate** - Join

1.9 Assignment

Visit any Trade Union office or setup in your area and study their day-to-day management of trade union members' issues.

1.10 Activities

Make a list of 5 companies in your district and determine how many unions are functioning in each company.

1.11 Case Study

Airbus, gradually losing its market disclosed a drastic plan by cutting thousands of jobs, selling off production units and outsourcing the major works to external suppliers. Strikes and protests greeted the European plane maker. Protests and strikes that had begun at French Airbus plants on the eve of the announcement gathered momentum and spread across the German border. The company said it will seek to avoid layoffs by using voluntary schemes such as early retirement, but made no promises.

This Strategy adopted by Airbus got an opening over the issue of distribution of job losses when the two countries France & Germany agreed to share both job losses and new technology.

1. How will you evaluate the role of trade unions in Airbus in handling the issue?

1.12 Further Readings

1. Industrial Relations, Ed. 6. Arun Monappa, Tata McGraw Hill Publishing Co. Ltd., 1993.
2. International Practices in Industrial Relations, S. K. Bhatia, Deep and Deep Publications, 2003.
3. Personnel Management and Industrial Relations, N. G. Nair and Latha Nair, S. Chand and Co. Ltd., 2001.

UNIT 2: INDUSTRIAL RELATIONS

Unit Structure

2.0 Learning Objectives

2.1 Introduction

2.2 Scope of the Study of Disputes

2.3 Nature of Disputes

2.4 Collective Bargaining

2.4.1 Importance of Collective Bargaining

2.4.2 Pre-Requisites of Collective Bargaining

2.4.3 Position of Collective Bargaining In India

2.5 Settlement of Dispute – Conciliation, Arbitration and Adjudication

2.6 Tripartite Labour Convention in India

2.7 Let Us Sum Up

2.8 Answers for Check Your Progress

2.9 Glossary

2.10 Assignment

2.11 Activities

2.12 Case Study

2.13 Further Readings

2.0 Learning Objectives

After learning this unit, you will be able to understand:

- Industrial relations and disputes.
- Industrial Disputes.
- Settlement of industrial disputes in India.
- Collective bargaining.
- About Conciliation, Arbitration and Adjudication.

2.1 Introduction

The relationship between Employer and employee or trade unions is called Industrial Relation. Harmonious relationship is necessary for both employers and employees to safeguard the interests of the both the parties of the production. In order to maintain good relationship with the employees, the main functions of every organization should avoid any dispute with them or settle it as early as possible so as to ensure industrial peace and higher productivity. Personnel management is mainly concerned with the human relation in industry because the main theme of personnel management is to get the work done by the human power and it fails in its objectives if good industrial relation is maintained. In other words, good Industrial Relation means industrial peace, which is necessary for better and higher productions.

A. Definition

- Industrial Relation is that part of management, which is concerned with the manpower of the enterprise, whether machine operator, skilled worker or manager. BETHEL, SMITH & GROUP.
- Industrial Relation is a relation between employer and employees, employees and employers and employees and trade unions: Industrial Dispute Act 1947.
- While moving from jungle of the definitions, here, Industrial Relation is viewed as the “process by which people and their organizations interact at the place of work to establish the terms and conditions of employment.”

The Industrial Relation relations also called as labour - management, employee-employers relations.

B. A few notable features pertaining to Industrial Relations are as under

- Industrial Relations do not emerge in vacuum they are born of employment relationship in an industrial setting. Without the existence of the two parties, i.e. labour and management, this relationship cannot exist. It is the industry, which provides the environment for industrial relations.

- Industrial Relations are characterized by both conflict and co-operations. This is the basis of adverse relationship. So the focus of Industrial Relations is on the study of the attitudes, relationships, practices and procedure developed by the contending parties to resolve or at least minimize conflicts.
- As the labour and management do not operate in isolations but are parts of large system, so the study of Industrial Relation also includes vital environment issues like technology of the workplace, country's socio-economic and political environment, nation's labour policy, attitude of trade unions workers and employers.
- Industrial Relation also involve the study of conditions conducive to the labour, managements co-operations as well as the practices and procedures required to elicit the desired co-operation from both the parties.
- Industrial Relations also study the laws, rules regulations agreements, awards of courts, customs and traditions, as well as policy framework laid down by the governments for eliciting co-operations between labour and management. Besides this, it makes an in-depth analysis of the interference patterns of the executive and judiciary in the regulations of labour-managements relations.

In fact, the concepts of Industrial Relations are very broad-based, drawing heavily from a variety of discipline like social sciences, humanities, behavioural sciences, laws etc.

In fact, Industrial Relation encompasses all such factors that influence behaviour of people at work. A few such important factors are details below:

- **Institution:** It includes government, employers, trade unions, union's federations or associations, government bodies, labour courts, tribunals and other organisations, which have direct or indirect impact on the industrial relations systems.
- **Characters:** It aims to study the role of workers unions and employers' federations officials, shop stewards, industrial relations officers/ manager, mediator/conciliators / arbitrator, judges of labour court, tribunal etc.
- **Methods:** Focus on collective bargaining, workers' participation in the Industrial Relation schemes, discipline procedure, grievance redressal machinery, dispute settlements machinery working of closed shops, union reorganisation, organisations of protests through methods like revisions of

existing rules, regulations, policies, procedures, hearing of labour courts, tribunals etc.

- **Contents:** Includes matter pertaining to employment conditions like pay, hours of works, leave with wages, health and safety disciplinary actions, lay-off, dismissals retirements etc., laws relating to such activities, regulations governing labour welfare, social security, industrial relations, issues concerning with workers“ participation in management, collective bargaining, etc.

C. Objectives of Industrial Relation

- To safeguard the interest of labour and management by securing the highest level of mutual understanding and goodwill among all those sections in the industry which participate in the process of production
- To avoid industrial conflict or strife and develop harmonious relations, which are an essential factor in the productivity of workers and the industrial progress of a country
- To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequency absenteeism.
- To establish and nurse the growth of an Industrial Democracy based on labour partnership in the sharing of profits and of managerial decisions, so that ban individuals personality may grow its full stature for the benefit of the industry and of the country as well.
- To eliminate, as far as is possible and practicable, strikes, lockouts and gheraos by providing reasonable wages, improved living and working conditions, said fringe benefits.
- To establish government control of such plants and units as are running at a loss or in which productions has to be regulated in the public interest.
- Improvements in the economic conditions of workers in the existing state of industrial managements and political government.
- Control exercised by the state over industrial undertaking with a view to regulating production and promoting harmonious industrial relations
- Socializations or rationalization of industries by making he state itself a major employer

- Vesting of a proprietary interest of the workers in the industries in which they are employed

D. The main aspects of Industrial Relations are

- Labour Relations, i.e. relations between union and management
- Employer-employees relations, i.e. relations between management and employees
- Group relations, i.e. relations between various groups of workmen
- Community or Public relations, i.e. relations between industry and society
- Promotions and development of healthy labour-managements relations
- Maintenance of industrial peace and avoidance of industrial strife
- Development of true industrial Democracy

E. Importance of Industrial Relations

The healthy industrial relations are the key to the progress. Their significance may be discussed as under:

- **Uninterrupted production** - The most important benefit of industrial relations is that this ensures continuity of production. This means, continuous employment for all from manager to workers. The resources are fully utilized, resulting in the maximum possible production. There is uninterrupted flow of income for all. Smooth running of an industry is of vital importance for several other industries; to other industries if the products are intermediaries or inputs; to exporters if these are export goods; to consumers and workers, if these are goods of mass consumption.
- **Reduction in Industrial Disputes** - Good industrial relation reduces the industrial disputes. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression that are fully cured by good industrial relations. Strikes, lockouts, go-slow tactics, gherao and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace. It helps promoting co-operation and increasing production.

- **High morale** - Good industrial relations improve the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same, i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. The employer in his turn must realize that the gains of industry are not for him alone but they should be shared equally and generously with his workers. In other words, complete unity of thought and action is the main achievement of industrial peace. It increases the place of workers in the society and their ego is satisfied. It naturally affects production because huge co-operative efforts alone can produce great results.
- **Mental Revolution** - The main object of industrial relation is a complete mental revolution of workers and employees. Industrial peace lies ultimately in a transformed outlook on the part of both. It is the business of leadership in the ranks of workers, employees and Government to work out a new relationship in consonance with a spirit of true democracy. Both should think themselves as partners of the industry and the role of workers in such a partnership should be recognized. On the other hand, workers must recognize employer's authority. It will naturally have impact on production because they recognize the interest of each other.
- **New Programmes** - New programmes for workers development are introduced in an atmosphere of peace such as training facilities, labour welfare facilities etc. It increases the efficiency of workers resulting in higher and better production at lower costs.
- **Reduced Wastage** - Good industrial relations are maintained on the basis of cooperation and recognition of each other. It will help increase production. Wastages of man, material and machines are reduced to the minimum and thus national interest is protected.

Thus, from the above discussion, it is evident that good industrial relation is the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. Newer projects may be introduced for the welfare of the workers and for promoting the morale of the people at work.

An economy organized for planned production and distribution, aiming at the realization of social justice and welfare of the masses can function effectively only in an atmosphere of industrial peace. If the twin objectives of

rapid national development and increased social justice are to be achieved, there must be harmonious relationship between management and labour.

2.2 Scope of the Study of Disputes

In India, the Industrial Disputes Act, 1947 is the main legislation for investigation and settlement of all industrial disputes. The Act enumerates the contingencies when a strike or lockout can be lawfully resorted to, when they can be declared illegal or unlawful, conditions for laying off, retrenching, discharging or dismissing a worker, circumstances under which an industrial unit can be closed down and several other matters related to industrial employees and employers.

The Act is administered by the Ministry of Labour through its Industrial Relations Division. The Division is concerned with improving the institutional framework for dispute settlement and amending labour laws relating to industrial relations. It works in close co-ordination with the Central Industrial Relations Machinery (CIRM) in an effort to ensure that the country gets a stable, dignified and efficient workforce, free from exploitation and capable of generating higher levels of output. The CIRM, which is an attached office of the Ministry of Labour, is also known as the Chief Labour Commissioner (Central) [CLC(C)] Organisation. The CIRM is headed by the Chief Labour Commissioner (Central). It has been entrusted with the task of maintaining industrial relations, enforcement of labour laws and verification of trade union membership in central sphere. It ensures harmonious industrial relations through:

- Monitoring of industrial relations in Central Sphere.
- Intervention, mediation and conciliation in industrial disputes in order to bring about settlement of disputes.
- Intervention in situations of threatened strikes and lockouts with a view to avert the strikes and lockouts.
- Implementation of settlements and awards.

Check your progress 1

1. The relationship between Employer and employee or trade unions is called_____
 - a. Employee relation
 - b. Industrial Relation
 - c. Employer relation
2. Industrial Relations also study the laws, rules regulations agreements, awards of courts, customs and traditions, as well as policy framework laid down by the governments for eliciting co-operations between labour and management.
 - a. True
 - b. False
3. Industrial conflict or strife and develop harmonious relations, is not an essential factor in the productivity of workers and the industrial progress of a country.
 - a. True
 - b. False
4. The main aspects of Industrial Relations are relations between management and employees relations between various groups of workmen and relations between industry and society
 - a. True
 - b. False
5. Good Industrial Relations facilitates_____
 - a. delayed production
 - b. Reduction in Industrial Disputes
 - c. Increase in Wastage

2.3 Nature of Disputes

There are two types of Industrial Disputes-interest disputes and rights disputes. Interest disputes relate to determination of new wage level and other condition of employment while rights disputes on the other hand relate to interpretation and application of existing standards and usually involve and individual worker or group of workers. Under category of rights disputes, claim is

made that the workers have not been treated in accordance with the rules, individual contracts of employment, laws and regulations and as per collective agreements. Such disputes are also described as grievance disputes. Such grievances may be regarding retrenchment, dismissal, payment of wages, working time, overtime, demotion, promotion, transfer, seniority, job classification, work rules and fulfillment of obligation relating to safety and health laid down in an agreement. The definition of Industrial Dispute as given in the Act has a wide coverage. All disputes relating to employment or non-employment, or the terms of employment or with the condition of labour are covered under the definition.

Causes for Industrial Disputes:

1. **Demands for Higher wages** - The employees want higher wages. The employer wants more profit by paying lower wages. This results in frustration among employees and they resort to agitation.
2. **Non-Implementation of Bonus Schemes** - Bonus is a strong incentive for the employees. They want share in the profit in the form of bonus. However, the employers generally show deficit and do not pay bonus to the employees. This results in industrial dispute.
3. **Demands for better working condition** - The employees want better working conditions. If their demand is not accepted by the employer, they resort to agitation approach. The result is industrial disputes.
4. **Failure to recognise Unions** - The employers cannot tolerate trade unions as they feel that these unions are threat to their profit. Therefore, they discourage union movement by the policy of divided and rule. However, the workers believe in collective bargaining and desire the recognition of unions by the employers.
5. **Demand for proper leave Rules** - The employers want that leave rules and working hours should as laid down in factory act. No worker should be forced to work more than 48 hours or more in a week. However, generally employers ignore these rules that results in industrial dispute.
6. **Over-time Payment** - The employees demand over-time payment as prescribed in the factory act. However, the employer either does not make any payment or makes under-payment. This causes frustration among employees and they resort to agitations.
7. **Political Interference** - Most of the trade unions in India are dominated by political parties. Sometimes, political leaders use workers as tool for their

selfish ends. They excite the workers to go on strike or adopt other agitation approach.

8. **Punishment to Workers** - Sometimes, the employer adopts dictation policy and victimizes the employers by suspending or dismissing them from services. In order to get the victimization redressed the employees resort to agitation approach. This disturbs the industrial peace.
9. **Mass retrenchment and undue promotions** - One major cause of industrial dispute is the mass retrenchment and undue promotions of the employees. The employees start agitation to show their resentment against the callous attitude of the management.
10. **Insecurity of Service** - In India, the employment opportunities are very tight. The employees want security of service. If the employer does not meet with their demand, they adopt agitation approach.
11. **Wrong policy or decision** - Sometimes, the policy or decision taken by the management is detrimental to the interests of employees. This causes frustration among the employees and they went to agitation approach in bid to put pressure on the management to withdraw the wrong decision.
12. **Bad Behaviour** - The pre-requisite of industrial peace is the cordial relations between the employer and employees. If the behaviour of the management is bad towards the employees, good will disappears and dispute arises.
13. **Non-redressal of grievances** - The employees places their grievances before the management time and again. If their genuine grievances are not removed or properly attended, it gives rise to frustration and ultimately a dispute.

Check your progress 2

1. _____ relate to determination of new wage level and other condition of employment.
 - a. Rights disputes
 - b. Interest disputes
 - c. None of these

2. _____ on the other hand relate to interpretation and application of existing standards.
- a. Rights disputes
 - b. Interest disputes
 - c. None of these
3. Demand for higher wages, better working condition, and failure to recognise Unions are causes of industrial disputes.
- a. True
 - b. False

2.4 Collective Bargaining

The conflict between the management and the employee is inherent in an industrial society. One argues for more investment and profits while the other argues for better standard of living. These two conflicting interests can be adjusted temporarily through the principle of give and take. The principle of give and take has been infused in the principle of collective bargaining.

Collective bargaining has been defined, by different experts in different ways. Nevertheless, it is treated as a method by which problem of wages and conditions of employment are resolved peace-fully and voluntarily between labour and managements. However, the term collective bargaining is opposed to individual bargaining.

Sometimes, it is described as a process of accommodation between two conflicting interests. Here, power stands against powerless. The I.L.O. defines collective bargaining as negotiations about working conditions and terms of employment between an employer and a group of employers or one or more employer's organizations, on the one hand and one or more representative workers organization on the other side. This definition of collective bargaining is as a means of improving conditions of employment. However, in fact, collective bargaining serves something more.

Collective Bargaining in India has been the subject matter of industrial adjudication since long and has been defined by our Law Courts.

In *Kamal Leather Karamchari Saogalban vs. Liberty Footwear Company* the Supreme Court observed that, Collective bargaining is a technique by which dispute as to conditions of employment is resolved amicably by agreement rather than coercion, According to the Court, the Industrial Disputes Act, 1947, seeks to achieve social justice on the basis of collective bargaining. In an earlier judgment in *Titagath Jute Co. Ltd. v.s Sriram Titagath*, the Calcutta High clarified that this policy of the legislature is also implicit in the definition of industrial dispute.

In *Ram Prasad Viswakarmav.s Industrial Tribunal*, the Court observed that, it is well known how before the days of collective bargaining, labour was at a great disadvantage in obtaining reasonable terms for contracts of service from its employer. As trade unions developed in the Industry and collective bargaining became the rule, the employers found it necessary and convenient to deal with the representatives of workmen instead of individual workmen, not only for the making or modification of contracts but in the matter of taking disciplinary action against one or more workmen and as regards all other disputes, In *Bharat Iron Works. Bhagubhai Batubbai Patel*, it was held that Collective bargaining, being the order of the day in the democratic social welfare State, legitimate trade union activities, which must shun any kinds of physical threats, coercion or violence, must march with a spirit of tolerance, understanding and grace in dealings on the part of the employer. Such activities can flow in healthy channel only on cooperation between the employer and the employees and cannot be considered as irksome by the management in the best interests of its business. Dialogue with representatives of a union helps striking a delicate balance in adjustments and settlement of various contentious claims and issues. These definitions only bring out the basic element in the concept i.e., civilized confrontation between employers and employees and the whole process is regulated by statutory provisions.

Theoretically, collective bargaining is based on the principle of balance of power. Compromise or co-operation is based only on the relative power of each side. Even peaceful collective bargaining relationships or even those marked by friendliness and a spirit of give and take are the outer shell, underneath a constant testing and matching of rival power is going on.

2.4.1 Importance of Collective Bargaining

Collective bargaining is the means by which an innovative system is created for regulating industrial conflict. However, collective bargaining does not prevent industrial conflict but it provides a forum for discussion and a means for systematic social change in the working code governing management-men relations. By providing a forum for meeting between management and union, collective bargaining can facilitate improved relations and gradual change of the industry and productivity. Management always expects that labour should be available at a lower rate, which permits a reasonable margin of profit. Management is interested in getting the most qualified and experienced-worker available. Management expects to earn profit without interruption of production; employees equally realize that without the power to stop work collectively, it is impossible for them to get better treatment. All these expectations are projected at the bargaining table and adjusted as far as possible. But they cannot adjust their expectations beyond a certain limit.

2.4.2 Pre-Requisites of Collective Bargaining

For successful collective bargaining, certain pre-requisites are essential which are listed below:

- Strong independent and well organized unions.
- Recognition of the union as the bargaining agent.
- Willingness to give and take.
- A favorable political climate.
- Mutual trust and good faith.
- A problem solving approach rather than a fire fighting approach.

Furthermore, the success of this process is based on strike/lock-out and the financial capacities of both parties.

2.4.3 Position of Collective Bargaining In India

Collective Bargaining machinery essentially is a reflection of a particular social and political climate. The history of the trade union movement reflects that unions are affiliated to one or the other political parties. As a result, most of the

trade unions are controlled by outsiders. Critic says that the presence of outsiders is one of the important reasons for the failure of collective bargaining in India.

For an effective Collective Bargaining in India, the following suggestions are made:

- Recognition of trade union has to be determined through verification of fee membership method. The union having more membership should be recognized as the effective bargaining agent.
- To know the actual members of a particular union, check-off system should be adopted.
- The State should enact suitable legislation providing for compulsory recognition of trade union by employers.
- Section 22 of the Trade Unions Act, 1926 should be amended.
- The provision for political fund by trade unions has to be done away with, since it invariably encourages the politicians to prey upon the union.

State has to play a progressive role in removing the pitfalls that stand in the way of mutual, amicable and voluntary settlement of labour disputes. The new labour policy must reflect the new approach and new objectives.

Check your progress 3

1. The method by which problem of wages and conditions of employment are resolved peace-fully and voluntarily between labour and managements.
 - a. Individual bargaining
 - b. collective bargaining
 - c. None of these
2. Theoretically, collective bargaining is based on the principle of balance of _____
 - a. Money
 - b. Power
 - c. Education
3. Collective bargaining is the means by which an innovative system is created for regulating industrial conflict.
 - a. True
 - b. False

2.5 Settlement of Dispute - Conciliation, Arbitration and Adjudication

Settlement means a settlement arrived at in the course of conciliation proceeding and included a written agreement between employer and workmen arrived at otherwise than in course conciliation proceeding where such agreement has been signed by the parties there to in such manner as may be prescribed and a copy thereof has been sent to the officer authorized in this behalf by the appropriate government and the conciliation officer.

The definition envisages two categories of settlement.

- Settlement arrived at in the course of conciliation and
- Settlement arrived at privately or otherwise than in the course of conciliation.

The settlement arrived at in the course of conciliation stand on a higher plane than the settlements arrived at otherwise than in the course of conciliation. The legal effect of both these settlements is not identical. The settlement arrived at otherwise than in the course conciliation binds only the parties to settlement and none else. In any case it does not stand on higher plane than the settlements arrived at in the conciliation and that makes the two distinct and different from each other.

Procedures for settling labour dispute: Collective Bargaining, Negotiation, Conciliation and Mediation, Arbitration and Adjudication are well known methods for settlement of industrial disputes.

1. **Collective Bargaining:** Collective Bargaining is a technique by which dispute as to conditions of employment, are resolved amicably, by agreement, rather than by coercion. The dispute is settled peacefully and voluntarily, although reluctantly, between labour and management. In the context of present day egalitarian society, with its fast changing social norms, a concept like „collective bargaining“ is not a capable of a precise definition. The content and Scope of collective bargaining also varies from country to country. Broadly Speaking Collective bargaining is a process of bargaining between employers and workers, by which they settle their disputes relating to employment or non-employment, terms of employment or conditions of the labour of the workman, among themselves, on the strength of the sanctions available to each side. Occasionally, such

bargaining results in an amicable settlement arrived at voluntarily and peacefully between the parties. However, quite often, the workers and employers have to apply sanctions by resorting to weapons of strike and lockouts, to pressurize one another, which makes both the sides aware of the strength of one another and that finally forces each of them to arrive at a settlement in mutual interest. It is thus the respective strength of the parties that determine the issue, rather than the wordy duels, which are largely put on for show, as an element of strength in one party is, for the same reason, an element of weakness in another. The outcome of bargaining may also depend upon the art, skill and dexterity of displaying the strength by the representatives of one party to the other.

2. **Negotiation:** Negotiation is one of the principal means of settling labour disputes. However, due to lack of trust between the employers and workers or their trade unions or inter-rivalry of the trade unions and the employers being in a commanding position, many a time negotiations fail. Through Amendment 46 of 1982 in the Act, Chapter II B providing for reference of certain individual disputes to Grievance Settlement Authority has been inserted in the Act. Under this Chapter, section 9 C has made it obligatory for the employers to make provision for Grievance Settlement Authority for settlement of industrial disputes connected with an individual worker employed in an establishment in which fifty or more workers are employed or have been employed on any day in the preceding twelve months. This amendment, however, in spite of having been made twenty-one years back, has not seen the light of the day.
3. **Conciliation & Mediation:** Through conciliation and mediation, a third party provides assistance with a view to help the parties to reach an agreement. The conciliator brings the rival parties together discuss with them their differences and assist them in finding out solution to their problems. Mediator on the other hand is more actively involved while assisting the parties to find an amicable settlement. Sometimes he submits his own proposals for settlement of their disputes. Conciliation may be voluntary or compulsory. It is voluntary if the parties are free to make use of the same, while it is compulsory when the parties have to participate irrespective of whether they desire to do so or not. Section 4 of the Act provides for appointment for conciliation officers and Section 5 for constitution of Boards of Conciliation. The Board of conciliation is to consist of an independent Chairman and two or four member representing

the parties in equal number. While the former is charged with the duty of mediating in and promoting the settlement of industrial disputes, the latter is required to promote the settlement of industrial disputes. The act generally allows registered trade unions or a substantial number of workers/employees and in certain cases individual worker to raise disputes. The performance of conciliation machinery, though it does not appear to be unsatisfactory, causes delays due to casual attitude of the parties towards conciliation, defective processes in the selection of personnel and unsatisfactory pre-job training and period-in-service-training. Delays in conciliation are attributed partly to the excessive workload on officers and partly to the procedural defects. Since the conciliation officer has no powers of coercion over labour and management, he can only persuade them to climb down and meet each other. The settlements that are claimed to result from conciliation are increasingly the result of political intervention. Success of conciliation depends upon the appearances and their sincere participation in conciliation proceedings of the parties before the conciliation officers. Non-appearance and non- participation of the parties in conciliation proceedings poses a serious hindrance in this direction.

Regarding the attitude of the parties, National Commission on Labour observed conciliation is looked upon very often by the parties as merely a hurdle to be crossed for reaching the next stage. The representatives sent by the parties to appear before him are generally officer who do not have the power to take decisions or make commitments: they merely carry the suggestion to the concerned authorities on either side. This dampens the spirit of a conciliator. We have been told by the employers, workers and organizations alike that the conciliation machinery is weakened because of its falling into this type of disuse in recent years. Section 11 of the Act has clothed the conciliation officers with the power to enter premises occupied by any establishment and also has been invested with the powers of civil court under the Civil Procedure Code, 1908 when trying a suit for enforcing the attendance of any person and examining him on oath, compelling the production of documents and material objects and issuing commission for examination of witness for the purpose of inquiry in to any existing or apprehended industrial dispute. These provisions are seldom enforced. Moreover, conciliators most often do not have requisite information on the employers and trade unions, up to date wage/productivity, information and relevant up to date case laws which affect his capability to conciliate

effectively. The National commission on Labour in this context laid emphasis for pre job and on the job training of conciliation officers.

4. **Arbitration:** The resort to arbitration procedure may be compulsory or arbitrary. Compulsory arbitration is the submission of disputes to arbitration without consent or agreement of the parties involved in the dispute and the award given by the arbitrator being binding on the parties to the dispute. On the other hand, in case of voluntary arbitration, the dispute can be referred for arbitration only if the parties agree to the same. Section 10 A of the Act, however, provides only for voluntary reference of dispute to arbitration. This system, however, has not been widely practiced so far. One of the main reasons for not gaining popularity of this procedure is lack of arbitrators who are able to command respect and confidence of the parties to the dispute. Inter Union rivalry also sometimes makes it difficult in arriving at an agreement on settlement of an arbitrator who is acceptable to all the trade unions in the industry.

The Apex court in the case Kurnal Leather Employees Union Vs Liberty Footwear Co. has held that the remedy under section 10K is voluntary and alternative for settlement of industrial dispute but if the parties to the dispute have agreed in writing for settlement of their disputes through arbitrator, then the Govt. cannot refer the dispute to the Tribunal for adjudication.

5. **Adjudication:** If despite efforts of the conciliation officer, no settlement is arrived at between employer and the workman, The Industrial Dispute Act provides for a three tier system of adjudication viz. Labour Courts, Industrial Tribunals and National Tribunals under section, 7, 7A and under section 7B respectively. Labour Courts have been empowered to decide disputes relating to matters specified in the Second Schedule. These matters are concerned with the rights of workers, such as propriety of legality of an order passed by an employer under the standing orders, application and interpretation of standing orders, discharge or dismissal of workman including reinstatement of grant of relief to workman wrongfully discharged or dismissed, withdrawal of any customary concession or privilege and illegality or otherwise of a strike or lockout.

The industrial tribunal is empowered to adjudicate on matters specified in both the Second and third schedule, i.e. both rights and interest disputes. The jurisdiction of the Industrial Tribunal is wider than the labour courts.

In *Paulos vs. State of Kerala*, the government entrusted the work of selection of candidates for the appointment of presiding officers of industrial tribunals and labour courts to the advocate-general. This mode of selection of candidates was challenged by writ petition in High Court of Kerala on the ground that the government is bound to make appointment to this post after giving an opportunity to all eligible persons before considering for appointment by proper publicity through advertisement in newspapers. In the absence of such opportunity being given to all the persons having such prescribed qualification to be appointed, the method was unfair and arbitrary therefore, violating Article 14 and 16 of the Constitution. A Single Judge of the Kerala High Court upheld the appointment holding that the action taken by the government was within the powers enjoined by law and it is not the requirement of law, that for recruitment to an office under state, there must be an advertisement in the public press. Therefore, it is not necessary that the state must in every case of public employment issue an advertisement or notice inviting applications for an office.

In *Shellac Industries Ltd v/s Their workmen*, a tribunal once appointed cannot be abolished by an executive act merely because the government chooses to put an end to it when a reference is pending before it, for the state cannot do indirectly what is not permissible to it to do expressly or impliedly under the Act. Hence, a dispute pending before such a tribunal cannot be referred to another tribunal under Sec 10 (1) (d) as that can be done only under Section 33 B.

In case of disputes, which in the opinion of the Central Govt. involve question of national importance or are of such nature that workers in more than one State are likely to be affected, the Act provides for constitution of National Tribunals.

Industrial adjudication has undoubtedly played a conclusive role in the settlement of industrial disputes and in ameliorating the working and living conditions of labour class. In this context, the National Commission of Labour observed that the adjudicating machinery has exercised considerable influence on several aspects of conditions of work and labour management relations. Adjudication has been one of the instruments for the improvement of wages and working conditions and for securing allowances for maintaining real wages, bonus and introducing uniformity in benefits and amenities. It has also helped to avert many work stoppages by providing an acceptable alternative to direct action and to protect and promote the interest of the weaker sections of the working class,

who were not well organized or were unable to bargain on an equal footing with the employer.

The Act empowers the appropriate government to refer industrial disputes when the industrial disputes exist or are apprehended. The Apex court has also held in *Shambu Nath vs. Bank of Baroda* the power conferred by Section 10 (1) on the Govt. to refer can be exercised not only when an industrial dispute exists but when it is also apprehended.

Kotwal J. Kashmir Ceramics Ltd. v/s Labour Court: It is not permissible for the labour court to entertain more disputes than are contemplated in the reference not is it permissible for it to decline to adjudicate matters which clearly arise in the terms of the reference.

In the case:

State of Madras vs. C.P. Sarathi and Secretary, India Tea Association vs. Ajeet Kumar Bharat: It was held that to refer is the administrative act of the Government and the same view has been taken in the case *Telecom Conway Divers Mazdoor Sangh & authorities vs. State of Bihar* and in *M/s Avon Services (Production Agencies) Pvt. Ltd vs. Industrial Tribunal Faridabad*, with the result that the State Government has little choice in referring to make references of the disputes after failure of conciliation proceedings. The adjudication system is not immune from its weakness. The adjudication is dilatory and expensive. The Apex Court in case *Ajaib Singh vs. Sirhind Co Op. Marketing Cum Processing Service Society Ltd* also held that reference of industrial dispute to labour court is not subject to limitation under Article 137 of the limitation Act. Thus, no period of limitations having been prescribed under the Act, during which the industrial disputes can be raised and referred for adjudication, sometimes state disputes that arose even 15 to 20 years back are referred for adjudication. Moreover the Labour court, Tribunal and National Tribunal do not possess power of executing the order/awards passed by them although they are presided over by highly qualified and experienced judicial officers such as District Judges and High Court Judges with the result that generally workmen, weaker sections of the society suffer on account of non-implementation of the order/awards. However, there is no viable alternative to this system. Stringent provisions, therefore are required for ensuring the time limit within which the orders /awards to be implemented and clothe the courts and tribunal with powers of contempt of court for non-implementation of orders /awards passed by them.

Under the Act, an award made by the adjudication authority is final as there is no appeal. However, actual practice almost every award made against the employer is challenged in the High Court under Article 226 and 227 & in the Supreme Court under Article 136. It takes a year before final orders are passed in writ petitions pending before the High Court/Supreme Court. If the period taken before the adjudicating authority is counted, it does not take less 10 to 20 years before the protracted litigation could be disposed of. It is the weaker sections who are inconvenienced and handicapped the most by the delay. It is submitted that the need of the day is to evolve the framework in which workers and the management perceive the need to co-operate. Bilateral regulation is the most effective method of evolving norms that enjoy wide acceptance.

No doubt, the state intervention in the form of compulsory adjudication has significantly contributed to the settlement of all sorts of industrial disputes between industrial employers and their employees. However, its very success is the failure of the collective bargaining process as the normal method of settling industrial disputes. It follows that if collective bargaining has to gain ground, the state intervention through compulsory adjudication must wane to the vanishing point. It has outlived its utility. It is far better to leave the management and Trade unions to settle their differences and disputes among themselves than referring the issue to a third party settlement. Any attempt to solve socio-economic problems arising out of industrial relations within the old framework may have some limited usefulness, but cannot, in the nature of the case, achieve any, adequate solution. The frequent breakdown in industrial relations must give way to constructive programmes. The State intervention through compulsory adjudication has often been directed to the peripheral area of legal pathology rather than to the healthy core of practical working co-operation.

The settlement of disputes, reached by mutual discussion, debate and negotiation, leaves no bitterness behind and helps to create an atmosphere of harmony and co-operation.

Check your progress 4

1. _____ is one of the principal means of settling labour disputes.
 - a. Negotiation
 - b. Conciliation
 - c. Mediation

2. A third party provides assistance with a view to help the parties to reach an agreement.
 - a. Negotiation
 - b. Conciliation and mediation
3. _____ is the submission of disputes to arbitration without consent or agreement of the parties involved in the dispute and the award given by the arbitrator being binding on the parties to the dispute?
 - a. Negotiation
 - b. Conciliation and mediation
 - c. Compulsory arbitration
4. The Industrial Dispute provides for a three tier system of adjudication viz. Labour Courts , Industrial Tribunals and National Tribunals under.
 - a. section 7
 - b. section 7A
 - c. section 7B
 - d. All the above

2.6 Tripartite Labour Convention in India

Concept of Tripartism

Tripartism promotes the idea of partnership between the labour and the management. The two main principles of tripartism are:

- Management and workers should share a relationship of partnership rather than that of employer and employee. They should work in synergy towards the building up of the national economy.
- It holds the whole community liable for protecting the interests of workers and ensures that workers are not deprived of their due share in gains of economic development.

As the name suggests, tripartism involves three parties that participate in reaching a consensus or peace pertaining to the matters of industrial dispute. The three participants are the trade union, employer and the government, which conduct meetings to review all aspects of a situation, advice one another and try reaching a consensus.

The government plays the most important part in this process; it initiates in bringing the management and representatives of workers on the same platform.

The Annual Labour Conference is the chief instrument for tripartism. It reviewed the prospects of ratification of various ILO Conventions concerning minimum wages, occupational safety and health and elimination of child labour in the context of existing national laws and practices.

The Ministry of Labour & Employment (Govt of India) has a unique mechanism of tripartite consultation amongst social partners – Workers, Employers and Government, at various levels – sectoral as well as national – on issues relating to labour. The Indian Labour Conference – the apex tripartite consultative body at national level has been described as the “Labour Parliament of India,” a confluence of creative forces and energies and the testing ground of tripartite consensus in decision making. The first such tripartite consultation at national level was held in 1942 as Tripartite National Labour Conference – subsequently renamed as Indian Labour Conference since 1944. So far, 42 Sessions of Indian Labour Conference have been held to discuss prominent labour related issues. The 43rd Session of Indian Labour Conference being held on 23 – 24th November, 2010 under the chairmanship of Shri Malli karjun Kharge, Union Minister of Labour & Employment.

The Conference deliberated on very topical and critical issues viz., (i) Global Financial downturn – its impact – job losses – comprehensive package for protection of labour force, etc., (ii) Problems of contract labour – social security, wages, etc. and amendments in the contract labour legislations and (iii) Employment generation and skill development. The conference is attended by senior representatives of Workers and Employers Organisations and State Labour Ministers & Sr. Officers from Central Ministries/Departments and State Governments.

The Indian Labour Conference (ILC) is the apex level tripartite consultative committee in the Ministry of Labour & Employment to advise the Government on the issues concerning working class of the country. All the 12 Central Trade Union Organisations, Central Organisations of employers, all State Governments and Union Territories and Central Ministries/Departments concerned with the agenda items, are the members of the ILC.

Parity in number of representatives is maintained between the Employers’ and Workers’ Groups by allocation of equal number of seats to each Group. As recommended by the National Labour Conference held in September 17-18, 1982, only Trade Union Organisations, which have, a membership of more than five lakhs spread over four States and four industries are given representation in the

ILC. The Employers Organisations represented in ILC include, CIE (SCOPE, EFI & AIOE), AIMO, LUB, CII, FICCI & ASSOCHAM. The Government seats are determined so as to give representation to various Central Ministries, State Governments and Union Territories.

As a matter of practice and to maintain continuous dialogue with social partners, a meeting of this apex body is convened once in a year to discuss the topical issues concerning labour.

The first meeting of the Indian Labour Conference (then called Tripartite National Labour Conference) was held in 1942 and so far, 42 Sessions have been held. The 42nd Session was held on 20 – 21 February, 2009.

The 43rd Session of Indian Labour Conference is scheduled to be held on 23 – 24, November, 2010 at Vigyan Bhavan, New Delhi under the Chairmanship of Shri Malli karjun Kharge, Union Minister of Labour & Employment.

The tripartite Standing Labour Committee reviews the action taken on the conclusions of previous sessions of ILC and decides the items to be included in the agenda for the next session of ILC.

Check your progress 5

1. Tri partism promotes the idea of partnership between the labour and the management.
 - a. True
 - b. False
2. The apex tripartite consultative body at national level has been described as the “Labour Parliament of India,” a confluence of creative forces and energies and the testing ground of tripartite consensus in decision making is?
 - a. The Indian Labour Conference
 - b. State assembly
 - c. Indian Labour association

2.7 Let Us Sum Up

To conclude, the relationship between employer and employee or trade unions is called Industrial Relation. Pleasant relationship is compulsory for both employers and employees to safeguard the interests of the both the parties of the production. It's well-known that, Personnel management is mainly concerned with the human relation in industry because the main theme of personnel management is to get the work done by the human power and it fails in its objectives if good industrial relation is maintained. In India, the Industrial Disputes Act, 1947 is the main legislation for investigation and settlement of all industrial disputes. It's seen that there are two types of Industrial Disputes-interest disputes and rights disputes. Interest disputes relate to determination of new wage level and other condition of employment while rights disputes on the other hand relate to interpretation and application of existing standards and usually involve an individual worker or group of workers. The conflict between the management and the employee is inherent in an industrial society. These two conflicting interests can be adjusted temporarily through the principle of collective bargaining. Settlement means a settlement arrived at in the course of conciliation proceeding and included a written agreement between employer and workmen arrived at by both parties. The Indian Labour Conference (ILC) is the apex level tripartite consultative committee in the Ministry of Labour & Employment to advise the Government on the issues concerning working class of the country. Tripartism promotes the idea of partnership between the labour and the management. The main principles of tripartism are that the management and workers should share a relationship of partnership rather than that of employer and employee. Moreover, they should work in a synergy towards the building up of the national economy. It holds the whole community liable for protecting the interests of workers and ensures that workers are not deprived of their due share in gains of economic development.

2.8 Answers for Check Your Progress

Check your progress 1

Answers: (1-b), (2-a), (3-b), (4-a), (5-b)

Check your progress 2

Answers: (1-b), (2-a), (3-a)

Check your progress 3

Answers: (1-b), (2-b), (3-a)

Check your progress 4

Answers: (1-a), (2-b), (3-c), (4-a)

Check your progress 5

Answers: (1-a), (2-a)

2.9 Glossary

1. **Dispute** - disagreement
2. **Goodwill** - concern
3. **Strife** - trouble
4. **Deficit** - shortage
5. **Resort** - alternative
6. **Callous** - cruel
7. **Tolerance** - acceptance
8. **Amicable** - friendly
9. **Conciliation** - reunion
10. **Mediation** - negotiation
11. **Footing** - balance
12. **Parity** – similarity

2.10 Assignment

List out the industrial disputes occurred in the past one year in the organization visited and evaluate the role of the trade unions in solving it.

2.11 Activities

Write down an industrial issue in a company, which was solved by collective bargaining.

2.12 Case Study

The Malabar Tile Factory in Kerala had around 450 employees and every year the company paid the bonus according to the statutory minimum prescribed by the Bonus act. There were two registered unions in the factory backed up by major political parties. One of them had a majority of 400 members and was close to the management.

The past year was not good for the tile industry as a whole and malabar tile factory also suffered a lot. Before the distribution of the bonus the management called a meeting of the trade union leaders, sketched the present situation of the company and put forward a suggestion of restructuring the bonus pattern. The leader of the trade union with majority strength advocated for the management's decision and signed the agreement. But the other one stayed back giving the notice for a strike.

1. Give suggestions solve this industrial dispute?
2. In your opinion, did the majority of one union influence the decisions of the management?

2.13 Further Readings

1. Industrial Relations, Ed. 6. Arun Monappa, Tata McGraw Hill Publishing Co. Ltd., 1993.
2. International Practices in Industrial Relations, S. K. Bhatia, Deep and Deep Publications, 2003.

Block Summary

The block gave a description on the Union and Management relation and the role of the trade unions in keeping up these relations. The study on industrial disputes and the Industrial Disputes Act, 1947, the most important legislation for investigation and settlement of all industrial disputes added knowledge of the topic. The methods of collective bargaining adopted by the unions to solve the industrial disputes were also discussed. The block also provided a discussion on the methods of conciliation, arbitration and adjudication which are used for resolving industrial disputes.

It's believed that trade unions have to play a major role in the protection of the employment, securing employee favourable work conditions and the fight against exploitation ensuring the fairness and equity in employment. The key factor that promoted the trade union movement was the growth of nationalist Home Rule Movement after the World War 1, which facilitated the labour movement as part of its nationalist endeavour. The Human resource managers of many organisations spend most of their time to maintain effective labour relations. The two main reasons for the labour disputes in organizations are seen as due to the conflicts of law and conflicts of interests. Conflicts of interests are on the wages, hours of work etc. for which ensuring a strong union management relation, is the best solution. The future of the trade unions in India is associated with a broader concept of the social unity of working people. So it's very important for the trade unions to focus on organizing the unorganized workmen for creating a secured job with uninterrupted income and safe working conditions. From the side of the government it should relax contract labour laws in order to create more jobs. Moreover, the wages and working conditions of informal sector workers should be improved through welfare legislation. It's evident that the workers education helps the employees to acquire the whole range of skills and knowledge to contribute to the pleasant development of his personality, his role in the society and the knowledge and attitudes required for such roles. The maintenance of better industrial relation of reduce the industrial disputes, the disputes are the reflections of the stoppage of basic human needs or motivations to secure sufficient happiness or expression that are fully cured by good industrial relations. Causes for Industrial Disputes are the demand for higher wages, demand for better working condition, failure to recognize union's demands, punishment to workers etc. Collective bargaining is treated as a method by which problem of wages and conditions of employment are solved calmly and

willingly between labour and managements. Negotiation is one of the basic methods used for settling labour disputes. In the conciliation and mediation, a third party gives assistance with a view to help the parties to reach an agreement. The method of compulsory arbitration involves the solution of disputes without consent of the parties involved in the dispute whereas the tripartism involves three parties, i.e. trade union, employer and the government to participate in reaching a solution regarding the matters of industrial dispute.

Block Assignment

Short Answer Questions

1. Workers Education.
2. Nature of Industrial Disputes.
3. Collective Bargaining.
4. Trade Unions in India.
5. Conciliation.
6. Central Board for Workers Education.
7. Workers Education Industrial relations.
8. Importance of Industrial Relations Industrial Disputes.
9. Central Industrial Relations Machinery Interest Disputes.
10. Causes of Industrial Disputes Negotiation.
11. Adjudication Tripartism.
12. Labour conventions .

Long Answer Questions

1. Explain the state of Union Management relations since the enactment of various labour laws in India.
2. What are the causes for Industrial disputes? Explain with examples.
3. Comment on the viability of the settlement of industrial disputes with the help of some case laws.

Enrolment No.

1. How many hours did you need for studying the units?

Unit No	1	2	3	4
Nos of Hrs				

2. Please give your reactions to the following items based on your reading of the block:

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any Other Comments

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INDUSTRIAL RELATION AND LABOUR LAW





ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self-instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual-skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self-instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect.

All the best for your studies from our team!



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INDUSTRIAL RELATION AND LABOUR LAW

BLOCK 3: LABOUR WELFARE

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BLOCK 3: LABOUR WELFARE

Block Introduction

It's well known that labour welfare is the key to smooth employer-employee relations. In order to enhance the labour welfare, employers often offer additional incentives in the form of labour welfare schemes. They also try to persuade workers to accept mechanization. Often it's seen that labour welfare programs may have multiple objectives. The preliminary concern of labour welfare is humanitarianism which can be also termed as social responsibility with a sensation of apprehension and consideration by offering the fundamental amenities, apart from the elementary pay packages. It's apparent that the funds used for labour welfare by the employer will benefit them directly or indirectly along with the direct benefit of the employees. The increase in work conditions will certainly improve the wellbeing and effectiveness of the workers and which in turn, increase the production and the productivity of workers.

The block explains the various problems that the women employees are facing in the work place. It also includes the various legislative measures adopted for protecting the women employee from these atrocities. The block comprises a detailed study of the International Labour organisation (ILO). Moreover the block also comprises with the standards for women employment in accordance with the prevailing labour laws. A detailed study on importance of various statutory and non-statutory agencies in India and the objectives of these welfare schemes are also included in this block.

Unit 1 gives a picture of the importance and scope of various statutory and non-statutory agencies in India. Unit 2 provides the problems faced by Indian women employees. The Legislative measures in India for protecting women employees is also studied in detail, the role of I.L.O and the Standards for Women Employment are also enclosed in this unit.

Block Objective

After learning this block, you will be able to understand:

- To understand about different statutory and non-statutory programs.
- To understand the importance of scope of various statutory and non-statutory agencies in India.
- To understand the problems of Women Employees.
- To study the Legislative measures adopted for protecting women employees.
- To understand the Standards for Women Employment.

Block Structure

Unit 1: Labour Welfare – I

Unit 2: Labour Welfare – II

UNIT 1: LABOUR WELFARE - I

Unit Structure

1.0 Learning Objectives

1.1 Introduction

1.2 Importance of Scope of Various Statutory and Non-Statutory Agencies in India

1.2.1 Objectives of Labour Welfare

1.2.2 Statutory Welfare Schemes

1.2.3 Non Statutory Schemes

1.3 Let Us Sum Up

1.4 Answers for Check Your Progress

1.5 Glossary

1.6 Assignment

1.7 Activities

1.8 Case Study

1.9 Further Readings

1.0 Learning Objectives

After learning this unit, you will be able to understand:

- What is Statutory Welfare Schemes?
- What is Non Statutory Schemes?
- About the labour welfare activities organised in India by different agencies.
- The importance and the scope of various statutory and non-statutory agencies in India.

1.1 Introduction

Within classical economics and all microeconomics, labour is one of four factors of production, the others being land, capital and enterprise. It is a measure of the work done by human beings. There are macro-economic system theories which have created a concept called human capital (referring to the skills that workers possess, not necessarily their actual work), although there are also counterpoising macro-economic system theories that think human capital is a contradiction in terms.

The term welfare suggests the state of well-being and implies wholesomeness of the human being. It is a desirable state of existence involving the mental, physical, moral and emotional factor of a person.

Adequate levels of earnings, safe and humane conditions of work and access to some minimum social security benefits are the major qualitative dimensions of employment, which enhance quality of life of workers and their productivity. Institutional mechanisms exist for ensuring these to workers in the organised sector of the economy. These are being strengthened or expanded to the extent possible. However, workers in the unorganised sector, who constitute 90 per cent of the total workforce, by and large, do not have access to such benefits. Steps need to be taken on a larger scale than before to improve the quality of working life of the unorganised workers, including women workers.

Labour Welfare means working out things for the well-being of the labours. Knowing their wants and enabling them to fulfil their wants.

Definitions

1. **Oxford dictionary:** Labour welfare means efforts to make life worth living for workmen.
2. **R.R. Hopkins:** Welfare is fundamentally an attitude of mind on the part of the management influencing the methods by which management activities are undertaken.
3. **The Encyclopaedia of Social Sciences:** Labour welfare is the voluntary efforts of employer to establish within the existing industrial system, working and sometimes living and cultural conditions of the employee beyond what is required by law.

Labour welfare is the key to smooth employer-employee relations. In order to increase labour welfare, employers offer extra incentives in the form of labour

welfare schemes. They also try to pursue workers to accept mechanization. Sometimes the employers to combat the influence of outside agencies on their employees use labour welfare as a tool to minimize the effect they may have on the labour. Labour welfare measures are also initiated with the view to avoiding payment of tax on surplus and to build up at the same time better relations with employees.

1.2 Importance of Scope of Various Statutory and Non-Statutory Agencies in India

With the increase in industrialization and mechanization, labour welfare has obtained a greater importance. A contented and satisfied work force is a plus point for the industrial affluence of any nation. Labour welfare is nothing but the role of preservation of employee satisfaction in the sense, which is directed specifically for the preservation of employee health and attitudes resulting in the maintenance of employee morale.

1.2.1 Objectives of Labour Welfare

Labour welfare programs may have multiple objectives. The main concern of labour welfare is humanitarianism which can be also coined as internal social responsibility, which is a feeling of apprehension and caring by providing the basic facilities, besides the fundamental pay package. Such caring is made-up to put up a sense of allegiance on the part of the employee towards the business. The humanitarian approach has given way to a more practical utilitarian approach. The utilitarian approach views investment in welfare through a financial structure where the probable cost advantage to the organization adds better concern through better or faster services from the employees.

The importance of labour welfare activities in India has been recognised very recently by the employers, government and other agencies, though the progress in this direction is very slow. The labour welfare activities are organised in India by the following agencies:

- The Central Government
- The State Governments
- The Employers

- The Trade Unions
- Other Agencies

The importance of labour welfare work in India can easily be realized if we look into the working conditions of the labour class in Indian industries. India, an industrially backward country, is in its developing stage.

The place of labour in industries in India is not recognised. The principles of personnel management and industrial relations have not been developed in India except in few big industrial units. Commodity concept of labour still prevails in the country. Thus, the scope of labour management relations has not been much widened in India while in western countries; the labour is regarded as the partner in the affairs of the industry. The attitude of employers is sympathetic to workers in western countries and provides various welfare facilities as a measure to improve industrial relations and better working conditions.

The money spent on labour welfare work by the employer is bound to react directly or indirectly to their own benefits and to the direct benefit of the employees. If work conditions are improved, it will certainly improve the health and efficiency of the workers and which in turn, increase the production and the productivity of workers. The employer may contribute something towards the amenities of the workers to which the employees spend nothing in India because of their poor financial condition. Labour welfare activities may ensure the employer a stable and contented labour force, lower absenteeism and labour turn over. These results may not have been achieved if the benefits are extended in the form of cash wages, because it may be spent on drinking, gambling and extravagance. It seeks to promote a better standing between the employer and the employees.

1.2.2 Statutory Welfare Schemes

The statutory welfare schemes include the following provisions:

- **Drinking Water:** At all the working places safe hygienic drinking water should be provided.
- **Facilities for sitting:** In every organisation, especially factories, suitable seating arrangements are to be provided.
- **First aid appliances:** First aid appliances are to be provided and should be readily assessable so that in case of any minor accident initial medication can be provided to the needed employee.

- **Latrines and Urinals:** A sufficient number of latrines and urinals are to be provided in the office and factory premises and are to be maintained in a neat and clean condition.
- **Canteen facilities:** Cafeteria or canteens are to be provided by the employer to provide hygienic and nutritious food to the employees.
- **Spittoons:** In every work place, such as warehouses, store places, in the dock area and office premises spittoons are to be provided in convenient places and the same are to be maintained in a hygienic condition.
- **Lighting:** Proper and sufficient lights are to be provided for employees so that they can work safely during the night shifts.
- **Washing places:** Adequate washing places such as bathrooms, washbasins with tap and tap on the standpipe are provided in the port area in the vicinity of the work places.
- **Changing rooms:** Adequate changing rooms are to be provided for workers to change their cloth in the factory area and office premises. Adequate lockers are also provided to the workers to keep their clothes and belongings.
- **Restrooms:** Adequate numbers of restrooms are provided to the workers with provisions of water supply, washbasins, toilets, bathrooms, etc.

1.2.3 Non Statutory Schemes

Many non-statutory welfare schemes may include the following schemes:

- **Personal Health Care (Regular medical check-ups):** Some of the companies provide the facility for extensive health check-up.
- **Flexi-time:** The main objective of the flexitime policy is to provide opportunity to employees to work with flexible working schedules. Flexible work schedules are initiated by employees and approved by management to meet business commitments while supporting employee personal life needs.
- **Employee Assistance Programs:** Various assistant programs are arranged like external counselling service so that employees or members of their immediate family can get counselling on various matters.
- **Harassment Policy:** To protect an employee from harassments of any kind, guidelines are provided for proper action and for protecting the aggrieved employee.

- **Maternity and Adoption Leave:** Employees can avail maternity or adoption leaves. Paternity leave policies have also been introduced by various companies.
- **Mediclaim Insurance Scheme:** This insurance scheme provides adequate insurance coverage of employees for expenses related to hospitalization due to illness, disease or injury or pregnancy.
- **Employee Referral Scheme:** In several companies, employee referral scheme is implemented to encourage employees to refer friends and relatives for employment in the organisation.

Check your progress 1

1. _____ is one of four factors of production, the others being land, capital and enterprise.
a. labour
b. labour welfare
c. none of these
2. The money spent on labour welfare work by the employer is bound to react directly or indirectly to their own benefits.
a. True
b. False
3. Point out which does not come under Statutory Schemes
a. Drinking Water
b. First aid appliances
c. Canteen facilities
d. Personal Health Care
4. Point out which does not come under Non- Statutory Schemes
a. Personal Health Care
b. Employee Assistance Programs
c. Harassment Policy
d. Adequate washing places
5. Point out which does not come under Statutory Schemes
a. Changing rooms
b. Adequate numbers of restrooms
c. Maternity & Adoption Leave

1.3 Let Us Sum Up

To conclude, the labour welfare has great significance in the industrial development and financial system of a country. Labour welfare is nothing but the role of safeguarding of employee happiness, by concentrating particularly for the protection of employee health and attitudes ensuing in the upholding of employee morale. It's seen that the Labour welfare programs have a lot to do through their multiple objectives. The attempt is made to create a feeling of apprehension and caring by providing the basic facilities, besides the fundamental pay package. It's seen that such caring is often made-up to put up a sense of loyalty on the part of the employee to the business. The investment in employee welfare through a financial composition where the possible cost benefit to the organization adds enhanced concern through better or quicker services from the employees. The labour welfare activities in India are organised by the Central Government, the State Governments, employers, trade unions and other agencies.

1.4 Answers for Check Your Progress

Check your progress 1

Answers: (1-a), (2-a), (3-d), (4-d), (5-c)

1.5 Glossary

1. **Adequate** - sufficient
2. **Constitute** - compose
3. **Surplus** - Extra
4. **Contented** - happy
5. **Morale** - confidence
6. **Sympathetic** - kind
7. **Hygienic** - clean
8. **Statutory** - legal

1.6 Assignment

Visit and industry nearby and find out the labour welfare schemes adopted there.

1.7 Activities

List out the schemes adopted in the industry visited and differentiate them into statutory and non- statutory welfare schemes.

1.8 Case Study

Ramsagar, working in a nationalised Bank at Bombay was promoted as an officer and transferred to Pune .He had 10 years' experience in this bank and this was his first transfer after his marriage which was 5 years back.

His wife Sharada was working in Sreerangam engineering which was a Pvt. Ltd Firm. Ramsagar's promotion and transfer was not happily accepted by the family as Sharada was 6 months pregnant. Sharada applied for maternity leave which was granted along with all the statutory benefits. Her company also allowed extra Rs. 5000 as medical care.

Ramsagar who joined the Pune branch applied for a paternity leave for 3 weeks pointing out that he has to look after the health of his wife .The branch manager forwarded the application to head office with adverse comments and it was referred for a legal advice by the general manager. Finally Ramsagar got the leave.

1. Comment on the employee welfare attitudes of both husband and wife's employers?
2. If you were the Manager of Ramsagar what would you do?

1.9 Further Readings

1. Labour Problem and Social Welfare in India, Mamoria, C. B., Kitab Mahal, 1966.
2. Labour Welfare and Social security, Kohli, A. S. and Sarma S. R., Anmol Publications Pvt. Ltd., 1977.

3. Labour Welfare, Trade Unionism and Industrial Relation, Punekar, S. D., Himalaya Publishing House, 1978.

Labour
Welfare - I

UNIT 2: LABOUR WELFARE - II

Unit Structure

- 2.0 Learning Objectives**
- 2.1 Introduction**
- 2.2 Problems of Women Employees**
- 2.3 Legislative Measures Protecting Women Employees**
- 2.4 I.L.O.**
- 2.5 Standards for Women Employment**
- 2.6 Let Us Sum Up**
- 2.7 Answers for Check Your Progress**
- 2.8 Glossary**
- 2.9 Assignment**
- 2.10 Activities**
- 2.11 Case Study**
- 2.12 Further Readings**

2.0 Learning Objectives

After learning this unit, you will be able to understand:

- The work discrimination faced by the women employees in India.
- About diverse Acts enacted to protect the interests of women employees.
- About the role of International Labour Organisation in the employment sector.
- Define Social Security and State Policy.

2.1 Introduction

Labour welfare is a significant aspect of industrial relation which considers the overall welfare amenities intended to take care of well-being of the labours and enhance their living standard. Industrialization, mechanisation and globalisation have amplified significance of labour welfare in industries. Unless the employees are physically and psychologically fit they cannot carry out their duties successfully. So it's quite natural that if the basic amenities are given to the women employees they may be relaxed and mentally satisfied and they will work in a better determination. Though the labour welfare laws in India have provided various measures to safeguard the women employees in our country, there is a growing need to give more protection for our women employees regarding the employment and wages.

2.2 Problems of Women Employees

The status of Indian women has undergone considerable change. Though Indian women are far more independent and aware of their legal rights, such as right to work, equal treatment, property and maintenance, a majority of women remain unaware of these rights. There are other factors that affect their quality of life, e.g. age of marriage, extent of literacy, role in the family and so on. In many families, women do not have a voice in anything while in several families; the women may have a dominating role. The result is that the empowerment of women in India is highly unbalanced and with huge gaps. Those who are economically independent and literate live the kind of life that other women tend to envy. This disparity is also a cause for worry because balanced development is not taking place.

Discrimination at Workplace

'Workplace discrimination' is not a new word, especially in India. Our history reveals how prestigious the status of women was in India and how it gradually became twisted. If a female official of a high rank mentions about any contradictory situation at work, she is of course not joking, because India is a country famous for the most annoying kind of discrimination at the workplace.

India is advancing each year, in all spheres alike. However, when it comes to man-woman equality, India still has to make a lot of progress. This inequality

has far-reaching effects. Starting from poverty to unemployment, the gender discrimination has a crucial role to play.

Though our law does not support any kind of discrimination in the workplace in the form of gender, race, religion or nationality, it is a fact that women endure workplace discrimination, mainly of gender. In majority of the cases, men and women are unequally paid, even if it is for the same job. A woman may have to face three major issues related to workplace such as-

- 1. Lower rate of participation in the labour force** - Modern women are much advanced in qualification when compared to their male counterparts. Still, the number of women in the active work force is less. The unemployment statistics of our country shows that the rate of jobless women is greater than that of men because they face several social, traditional and cultural barriers that prevent them from going for a job, even if they want to.
- 2. The wage disparity** - It is a universal truth that women are paid less (more than 30%) than men for the same kind of work. It does not matter if they are professionally equal to or sometimes above men. Men receive good salary even as new-appointments and women get the same only after 3-4 years of job experience. Some companies find men to be more capable for sophisticated projects and eventually all these lead to inappropriate salary norms.
- 3. The concept of 'glass ceiling'** - This is widely seen all over the world whenever it comes to promotions in a job. It is quite unnerving to find that most of the people who are promoted in a job are men. We can hardly find women in higher and decision-making posts. A woman stands the least chance to be promoted to a professional position despite outstanding qualifications and experience. Though there are exceptions to this, majority of the higher posts are awarded to men.

These issues are purely generated from the discrimination shown towards women. Stereotyping of women and misapprehensions related to the abilities and potentials of women considerably aggravate the problem. Family issues add oil to the overall fire. A working woman has to tolerate many hardships. She is often burdened with responsibilities when the male earning members of the family become reluctant to share responsibilities with her.

The Government should take initiative and promote necessary measures to prohibit discrimination against women. Higher rate of unemployment of women

means lower rate of contribution to the nation. This stagnates economic growth prevents expansion. Thus it is mandatory to take steps to forbid against women since it is not the woman alone who suffers; but the whole nation.

Check your progress 1

1. Man-woman equality lessens:
 - a. the work pressure
 - b. Discrimination at Workplace
 - c. None of these
2. Law in India does not support any kind of discrimination in the workplace in the form of gender, race, religion or nationality.
 - a. True
 - b. False
3. The rate of jobless women is greater than that of men
 - a. because they are not willing to work
 - b. because they face several social, traditional and cultural barriers that prevent them from going for a job
 - c. because they are lazy
 - d. none of these

2.3 Legislative Measures Protecting Women Employees

The traditional housewife-role of women has under-gone a transformation in the present century as a result of rapid industrialization, by a large number of women joining the work force engaged in offices, workshops, plantation and other industries. While women have admirably adapted to their new role, the social change has, however, created a problem relating to their role as mothers. Women need extra care during advanced stage of pregnancy, confinement and post-natal period. Women also need protection due to sex inferiority from men. The community has an all-important stake in the promotion of the health of these

women during the previously mentioned period. Several laws enacted by the legislature protect to the interest of women workers.

Thus, besides the constitutional safeguards, different Acts under different heads have been passed with a bearing on prohibitions and conditions of employment, welfare facilities and relates to working hour, night work, security of health and the like for protection of the condition of women. Following are the important enactments.

- The Factories Act, 1948
- The Mines Act, 1952
- The Plantation Labour Act, 1951
- The Maternity Benefits Act, 1961
- The Equal Remuneration Act, 1976

A. Protection of Women in Factories, Mines and Plantations:

The Acts, which have made separate provisions for health, safety, welfare and working hours of female labour in factories, mines, plantations and industrial and commercial establishments are the Factory Act, 1948, the Mines Act, 1952 and the Plantation Act, 1951; and the Shops and Establishments Acts of various States. The hours of work for women have been fixed to 48 hours in factories and mines and 54 hours in plantations. They are required to work 9 hours a day but in plantations daily hours of work are not fixed but spread over including rest intervals is limited to 12 hours a day. Employment of women between 7 p.m. and 6 a.m. is prohibited. There can be exemption under the Factories Act by the State Government but no variation will authorize employment of any women between the hours of 10 p.m. and 5 a.m. No women will be employed in any part of mine that is below ground but they can be employed above ground between 6 a.m. and 7 p.m. There is prohibition of employment of women in certain dangerous operations like pressing cotton, in any part of the factory in which a cotton opener is at work. The Factories Act has also laid down the maximum load to be carried by women. Under these Acts, separate washing and bathing facilities and crèche facilities are to be provided for the use of female workers (if they employ a specified number of women)

For the proper functioning of these Acts, it is required that machinery for enforcement of the Acts should be strengthened through the appointment of

Welfare officers, Safety Officers, Safety Engineers, Factories And Labour Inspectors so that the Acts may be implemented properly. The women must also know the rules and regulations so that they cannot be exploited by the unscrupulous employers.

B. Maternity Benefits for Women Workers:

The Maternity Benefit Act, 1961 was enacted to regulate the employment of women in certain establishments for certain periods before and after childbirth and to provide for maternity benefit and certain other benefit. This Act extends to the whole of India except the State of Jammu and Kashmir. It shall come into force on such date as may be notified in this behalf in the official Gazette by the Central and State Governments respectively.

The purpose of all Maternity Acts is to protect dignity of motherhood by providing for the full and healthy maintenance of the women and her child when she is not working. Since number of women employees grows, maternity leave and other maternity benefits are becoming, increasing the common of employment today.

The Maternity Benefit Act is intended to achieve the object of doing social and economic justice to women workers. Therefore, in interpreting the provisions of this Act, beneficent rule of construction, which would enable the woman worker to not only subsist but also to make up her dissipated energy, nurse her child, preserve her efficiency as a worker and maintain the level of her previous efficiency and out-put, has to be adopted by the Court.

Benefits Under this Act: According to this Act as amended by the Maternity Benefit (Amendment) Act 1988 women workers who have put in not less than 80 days of work can claim the following benefits from the employer:

- Maternity benefit at the rate of the average daily wage for the period of her actual absence, that is to say, the period immediately preceding the day of her delivery and any period immediately following that day: The maximum period for which any women shall be entitled to maternity benefit shall be twelve weeks, of which not more than six weeks shall precede the date of her expected delivery.
- Medical bonus of Rs.250 if no pre-natal confinement and post-natal care is provided for by the employer free of charge.

- In case of miscarriage, a woman shall be entitled to leave with wages at the rate of maternity benefit, for a period of six weeks immediately following the day of her miscarriage.
- In case of illness, arising out of pregnancy, delivery, premature birth of a child or miscarriage, in addition to the period of absence specified in (1) and (2) above, as the case may be, to leave with wages at the rate of maternity benefit for a maximum period of one month.
- In case of where a women, having delivered a child dies during her delivery or during the period immediately following the date of her delivery for which she is entitled for the maternity benefit, leaving behind in either case a child, the employer shall be liable for the maternity benefit for that entire period but if the child also dies during the said period, then, for the date up to and including the date of the death of the child.

The previously mentioned benefits are available to women workers irrespective of the number of births. For nursing mothers, the Act provides two nursing breaks of prescribed duration, in addition to the rest interval for nursing the child until he attains the age of fifteen months In order to safeguard the interest of pregnant workers, the Act provides that a woman worker shall not be dismissed, discharged during the period of -maternity leave. Apart from the benefits provided under the Maternity Benefit Act, some State Acts provide additional benefits such as free medical aid, maternity bonus, provision of crèches, additional rest intervals, etc. However, the Act has an extremely limited application and rarely applied in the agricultural sector.

The Maternity Benefit Acts have been of great value in social justice oriented welfare state in securing adequate rest and financial assistance to factory women workers. Maternity Acts give a special protection to the women and increase the dignity of motherhood. However, there are some defects also of such legislation on the country. The main defects of the Act are as under:-

- The Maternity Benefit legislation in different States is neither uniform nor universal: so that there were gaps here and there which were not fair to the workers. This defect now has been removed by the adoption of the Central Maternity Benefit Act of 1961 by most of the states. However, the Act has an extremely limited application in the agricultural sector.
- The Act has no provision for free medical aid before, during and after confinement.

- Only cash benefit is given at present and for medical treatment, the worker is left to her own resources.
- Besides, many women workers do not claim maternity benefits because of their ignorance or due to the fear of losing a permanent job. Though the Royal Commission recommended that the administration of the Act should, wherever possible be entrusted to woman factory Inspectors, yet no such appointment has been made in most of the states. The women workers usually find it difficult to comply with the following requirements of the law mainly due to their ignorance:
 - To give timely notice to the employer
 - To put in the qualifying period of service
 - To resume duty immediately after four weeks of the confinement
 - To obtain the birth certificate for claiming the benefits
- There are many cases in which the Act was evaded, especially in small factories. When the Acts were first put into force, a number of employers dismissed their woman workers. Employers, in many cases, show a preference for the employment of unmarried girls, widows and women past child bearing age. There have been cases when girls have been dismissed just after their marriage. The benefit is also refused sometimes on the ground that the worker has not satisfied the qualifying conditions.
- In some factories, the names of women workers are not entered in the register. In order to evade the Act, women are employed through contractors. In seasonal factories the employers do not maintain any record and service registers and refuse to pay the benefits on the pretext that the women workers have not satisfying qualifying period.
- The provisions of the Act are also evaded in mining areas. In some mines no records are maintained to show the attendance of the women and there are no records for showing the claims which have been paid. The clerks in charge of women's attendance generally take bribe to make up the attendance to the qualifying period.
- It is also mentioned that the Act has extremely limited application and rarely applied in the agricultural sector. Even though State Governments are empowered under the Act to extend provisions to the agricultural sector, no step has been taken to do so.

C. Provisions of Equal Remuneration for Women Workers:

One of the important legislative measures enacted under the 20-point Economic Programme for the weaker sections of society was the Equal Remuneration Act, 1976. The Act provides for the payment of equal remuneration for men and women workers, for the same work or work of similar nature. It prevents discrimination on the ground of sex against women in the matters of employment of women and for matters connected there with except where the employment of women in such works is prohibited or restricted by or under any law for the time being in force.

Indeed this Act is a milestone in establishing economic equality and justice between men and women. This Act has been enforced so far in respect of employment in plantations, local authorities, Central and State Governments, banks, insurance companies, hospitals, nursing homes, educational institutions, mines, employees provident fund, food corporations and Central and State Warehousing corporation.

The passing of this enactment during the International Women's Decade is the testimony of the fact that Government of India is determined to confer equal opportunities, equal status and equal pay on men and women as is envisaged in the constitution of India. Indeed the pressing needs of social and economic development can be met most effectively only with the active participation of women along with men and the basis of social and economic equality, which may perhaps change the equality of life in and outside the

D. Equal Remuneration (Amendment) Act, 1987:

Though the working and implementation of the Act was satisfactory in the initial days of its enforcement yet during the last 10 years of its existence certain loopholes and lacunae have been noticed. To overcome these lacunae the Equal Remuneration (Amendment) Act 1987 was passed by both Houses of Parliament and received assent of the president on 16 December 1987. According to this amendment, courts can take cognizance on the basis of complaints made by recognised organisations notified by the Centre or State Governments. The amendments in the principal Act also plug certain loopholes, remove the ambiguity of meaning in certain provisions of the Act and make penalties more stringent.

E. Evaluation and Working of the Act:

The Equal Remuneration Act was passed about 15 years ago but the number of violations detected, prosecution launched and convictions obtained have been extremely small. In fact, almost all the cases have been in the central sector, though most of the employments covered are in the state sectors. Very few state governments, viz. Uttar Pradesh, Madhya Pradesh have reported cases of violation under the Equal Remuneration Act. One of the reasons appears to be the inadequacy of the inspecting staff. The enforcement staffs in the field are burdened with the task of implementing a very large number of Acts and laws relating to women and children are generally considered to be of low priority.

In order to implement effectively the different Acts pertaining to welfare of women workers, state governments and Union Territories were requested to set up women's cells in their respective states. The State Government of Andhra Pradesh, Bihar, Gujarat, Madhya Pradesh, Orissa, Karnataka, West Bengal, Uttar Pradesh and Delhi have set up such cells. In the State of Assam, the functions of the woman cell are being looked after by the research cell. In Arunachal Pradesh, a women's cell exists under the Directorate of Public Instructions. The Women's cell set up in the ministry of Labour in August 1967 has also been instrumental in implementation of the Equal Remuneration Act, its extension to various employment/industries and examination of the difficulties, if any, pointed by the employment of the women under the Equal Remuneration Act and providing secretarial assistance to the Committee.

F. Equal Pay for the Women: Judicial Activism:

Equal Pay for men and women for equal work is a vital subject of great concern to society in general and employees in particular: a disparity in wage payment leads to unrest and discontent between the employers and employees. The judiciary has played an active role in enforcing and strengthening the constitutional goal of Equal Pay for Equal Work.

A significant milestone in the area of implementation of the Equal Remuneration Act was reached with the pronouncement of the Supreme Court decision in Peoples Union for Democratic Rights Vs. Union of India: The Court ruled that it is the principle of equality embodied in Article 14 of the constitution, which finds expression in the provision of the Equal Remuneration Act, 1976.

In *Randhir Singh Vs. Union of India*, the S.C. held that the principles of equal pay for equal work, is not expressly declared by our constitution to be a fundamental right but it certainly is a constitutional Goal which must colour the interpretation of Art. 14 and 16 so as to elevate to the rank of fundamental rights, denial of which must result in an irrational classification.

In *Bhagawandas Vs. State of Haryana*, the view of the Supreme Court was that, (i) persons doing similar work could not be denied equal pay on the ground that mode of recruitment was different: and (ii) a temporary or casual employee performing the same or similar duties and functions is entitled to the same pay as that of a regular or permanent employee.

A survey of the previously mentioned decisions reveals the creative role of Judiciary in securing equal pay for equal work to both sexes. Further, the court has brought equal remuneration within contours of the fundamental right of equality. However, till 1987. It did not lay down the test for determining same and similar work.

The decision of the Supreme Court in *Mackinnon Mackenzie & Co. Ltd. Vs. Audrey D. Costalg*: It is a very important case in which the court made a significant judicial pronouncement on equal remuneration. In this case, the Supreme Court has not only made a distinct contribution in formulating the test for determining same work or work of similar nature under section 4 of the Equal Remuneration Act, but also reflected the role of judiciary in law making in the arena of equal remuneration.

It was a case where female stenographers were paid fewer wages than male stenographers and their wages were fixed under a settlement. The Court referred section 3 of the Equal Remuneration Act, 1976 held that the petitioner Act. While so holding the court observed that, nor can the management deliberately create such conditions of work only to driving away women from a particular type of work, which they can otherwise perform with the object of paying them less remuneration elsewhere in its establishment.

In this case the opinion of the court that whether a particular work is same or similar in nature as another work, can be determined on 3 conditions,

- By taking a broad view of two jobs,
- Ascertaining whether any differences are of practical importance and
- Consideration of duties actually performed and not those theoretically possible.

The Court in other words, did not recognise any other determining factor.

Applying the previously mentioned tests in the facts situation the Court held that there was practically no difference between the work done by the confidential female stenographers and that done by the male counterparts. Accordingly, it found no ground to interfere in the decision of the Courts below.

Equal pay for equal work for both men and women has been accepted as a constitutional goal capable of being achieved through constitutional remedies. Art. 39 (d) of the constitution proclaims Equal pay for equal work, This article and other like provisions in the Directive principles of State Policy are conscience of our constitution. They are rooted in social justice. They were intended to bring about a socio-economic transformation in our society.

The S.C. further observed in the matter of employment that the Government of a Socialist State must protect the weaker sections. It must be ensured that there is no exploitation of poor and ignorant. It is the duty of the state to see that the under-privileged or weaker sections get their dues. Even if they have voluntarily accepted the employment on unequal terms, the state should not deny their basic rights of equal treatment.

G. Equal Remuneration Act: Financial Inability of Employer:

It may be mentioned that submission based on unsatisfactory financial position of the management were pressed for consideration in M/S Mackinnon Mackenzie's case (supra) and was rejected observing that the Act does not permit the management to pay to a section of its employees doing the same work of similar nature lesser pay contrary to section 4 (1) of the Act only because it is able to pay equal remuneration to all. The applicability of the Act does not depend upon the financial ability of the management to pay equal remuneration as provided by it.

The decision of the Supreme Court in Mackenzie's case illustrates some of the complexities of judicial review of social legislation. To begin with someone has to identify the benefits and disadvantages of implementing the provisions of the Act. It may be pleaded that in the short run it will serve the interest of females by providing those wages equal to their male counterparts. However, in the long run, it may lead to non-employment of women workers.

However, a critic while commenting on the Supreme Court decision in the *Randhir Singh vs. Union of India* and other cases on equal pay charge it with a

lack of serious thinking about the disastrous consequences of the ruling. In his view, the goal could be achieved through a gradual and slow process of change of the notion as a whole, not by a decree of the court. This fear is unfounded. It is submitted that if an employer could be allowed to take a place on the ground of financial incapacity to pay equal remuneration to both male and female workers the majority of employers will be left outside the purview of the Act. However, we feel that the legislatures may evolve a policy that may generate employment potentiality of women workers and at the same time assure them equal pay with their male counterpart.

It may be submitted that the time has come when equal pay for equal work for both men and women should be fully implemented without discrimination on the basis of sex, in order to provide fair and just treatment to women workers.

Check your progress 2

1. The hours of work for women have been fixed to _____ hours in factories and mines and _____ hours in plantations.
a. 48 and 54
b. 58 and 44
c. 55 and 46
2. No women will be employed in any part of mine that is below ground but they can be employed above ground between.
a. 6 am to 1 pm
b. 8 am to 7 pm
c. 6 a.m. and 7 p.m.
3. The maternity Benefit Act, was enacted to regulate the employment of women in certain establishments for certain periods before and after childbirth and to provide for maternity benefit and certain other benefit in the year.
a. 1961
b. 1971
c. 1981
4. The important legislative Equal Remuneration Act under the 20-point Economic Programme for the weaker sections of society was enacted in _____.
a. 1876
b. 1976
c. 1926

2.4 I.L.O

International Labour Organisation: Origin and History

In 1913, the ILO was created as part of the Treaty of Versailles that ended World War I, to reflect the belief that universal and lasting peace could be accomplished as long as it is based on social justice.

The Constitution of ILO was drafted around January and April, 1919, by the Labour Commission set up by the Peace Conference. They first met in Paris and then in Versailles. The Commission, chaired by Samuel Gompers, head of the American Federation of Labour (AFL) in the United States, was comprised of representatives from nine countries i.e. Belgium, Cuba, Czechoslovakia, France, Italy, Japan, Poland, the United Kingdom and United States. This resulted in the only tripartite organisation, one of its kind bringing together representatives of governments, employers and workers in its executive bodies.

In 1901, the Constitution contained ideas tested within the International Association for Labour Legislation was founded in Basel. In the 19th Century, two industrialists, Robert Owen (1771-1853) of Wales and Daniel Legrand (1783-1859) of France led the advocacy for an international organisation dealing with labour issues.

The driving forces for ILO's establishment arose from security, humanitarian, political and economic considerations. The ILO Constitution's Preamble mentions that the High Contracting Parties were 'moved by sentiments of justice and humanity as well as by the desire to secure the permanent peace of the world'.

There was earnest appreciation of the importance of social justice in securing peace, against a background of exploitation of workers in the industrializing nations then. There was also growing understanding of the world's economic interdependence and the need for cooperation to obtain similarity of working conditions in countries competing for markets.

The Preamble clearly reflects the ideas listed below:

- Whereas universal and lasting peace can be established only if it is based upon social justice;

- And whereas conditions of labour exist involving such injustice hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required;
- Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries.

The improvement areas listed in the Preamble remain relevant even today, for instance:

- Regulation of work hours including the establishment of a maximum working day and week.
- Regulation of labour supply, prevention of unemployment and provision of an adequate living wage.
- Protection of workers against sickness, disease and injury arising out of his employment.
- Protection of children, young persons and women.
- Provision for old age and injury, protection of the interests of workers when employed in countries other than their own.
- Recognition of the principle of equal remuneration for work of equal value.
- Recognition of the principle of freedom of association.
- Organisation of vocational, technical education and other measures.

ILO Tripartite constituents: The ILO is the only tripartite United Nations agency with government, employer and worker representatives. This tripartite structure makes the ILO a unique forum in which the governments and the social partners of the economy of 183 Member States can freely and openly debate, elaborate labour standards and policies.

International Labour Office

The International Labour Office is the permanent secretariat of the International Labour Organisation, its operational headquarters. The administration and management are decentralised in regional, area, with branch offices in more than 40 countries, which are under the leadership of a Director-General.

ILO Director-general

The new Director-General is elected every 5 years by the Governing Body. As per the instructions of the Governing Body, the Director-General is responsible for the efficient management of the International Labour Office and other duties.

ILO Administrative Tribunal

The ILO Administrative Tribunal investigates employment related complaints by officials of the International Labour Office and of the other international organisations that have recognised its jurisdiction. Currently, it is open to approximately 46,000 international civil servants who are serving or former officials of some 60 organisations.

ILO Centres and Institutes

Universally, the ILO is regarded as an authoritative source of knowledge in the world of work. The Organisation has created Institutes and centres that provide specialized research, training and support for the ILO's offices and constituents.

Check your progress 3

1. ILO was created as part of the Treaty of Versailles that ended World War I in the year _____
 - a. 1921
 - b. 1913
 - c. 1920

2. The ILO is the only tripartite United Nations agency with government, employer and worker representatives.
 - a. True
 - b. False
3. Director-General of ILO is elected every _____ years by the Governing Body.
 - a. 6
 - b. 5
 - c. 4

2.5 Standards for Women Employment

Women constitute a significant part of the workforce in India but they lag behind men in terms of work participation and quality of employment. According to Government sources, out of 407 million total workforce, 90 million are women workers, largely employed (about 87 percent) in the agricultural sector as labourers and cultivators. In urban areas, the employment of women in the organised sector in March 2000 constituted 17.6 percent of the total organised sector. Apart from the Maternity Benefit Act, almost all the major central labour laws are applicable to women workers. The Equal Remuneration Act was passed in 1976, providing for the payment of equal remuneration to men and women workers for same or similar nature of work. Under this law, no discrimination is permissible in recruitment and service conditions except where employment of women is prohibited or restricted by the law. The situation regarding enforcement of the provisions of this law is regularly monitored by the Central Ministry of Labour and the Central Advisory Committee. In respect of an occupational hazard concerning the safety of women at workplaces, in 1997 the Supreme Court of India announced that sexual harassment of working women amounts to violation of rights of gender equality. As a logical consequence, it also amounts to violation of the right to practice any profession, occupation and trade. The judgment also laid down the definition of sexual harassment, the preventive steps, the complaint mechanism and the need for creating awareness of the rights of women workers. Implementation of these guidelines has already begun by employers by amending the rules under the Industrial Employment Standing Orders Act 1946.

Check your progress 4

1. The Equal Remuneration Act was passed in....., providing for the payment of equal remuneration to men and women workers for same or similar nature of work.
 - a. 1975
 - b. 1976
 - c. 1978
2. Provisions of Equal Remuneration Act are regularly monitored by the Central Ministry of Labour and the Central Advisory Committee.
 - a. True
 - b. False
3. According to Government sources, out of 407 million total workforce, are women workers, largely employed (about 87 percent) in the agricultural sector as labourers and cultivators.
 - a. 20 million
 - b. 30 million
 - c. 90 million
 - d. none of these

2.6 Let Us Sum Up

To conclude, Labour is considered as one of the four factors of production in both the classical economics and all microeconomics. They are others land, capital and enterprise. Moreover the can be considered as the measure of the work done by human beings. It's seen that the macro-economic system theories which have created a concept called human capital. In India the term 'Workplace discrimination' is not new to employees as the history reveals how prestigious the status of women was in India and how it gradually became twisted. Women constitute a significant part of the workforce in India but they are far behind men in terms of work participation and quality of employment. A tale of contradictory situations at work by a female official of a high rank is not a surprise because India is a country which is famous for the most irritating kind of bias at the workplace. But recently the status of Indian women has undergone significant transformations. Now the Indian women are far more independent and are conscious of their legal rights, such as right to work, equal treatment, property and maintenance. The majority of women were unaware of these rights in the past.

Though the empowerment of women in India is highly unbalanced those who are economically independent and literate have a better livelihood. More over the conventional role of housewife-role has an under-gone rapid change due to industrialization and a large number of women joining the work force in offices, workshops, agricultural estates and other industries.

2.7 Answers for Check Your Progress

Check your progress 1

Answers: (1-b), (2-a), (3-b)

Check your progress 2

Answers: (1-a), (2-c), (3-a), (4-b)

Check your progress 3

Answers: (1-b), (2-a), (3-b)

Check your progress 4

Answers: (1-b), (2-a), (3-c)

2.8 Glossary

1. **Dominate** - control
2. **Discrimination** - favouritism
3. **Crucial** - vital
4. **Endure** - continue
5. **Sophisticated** - difficult
6. **Misapprehension** - misreading
7. **Stake** - risk
8. **Authorize** - approve
9. **Dignity** -distinction

2.9 Assignment

Visit a women-oriented manufacturing unit in your vicinity and study the facilities provided to them at the work place.

2.10 Activities

List out the maternity benefits offered by the company visited.

2.11 Case Study

The pharmaceutical companies which operated in Bombay in 1940 have recruited young single women in large numbers. Married women were not considered and the women employees recruited were forbidden from marriage.

Though the major unions were there to protect the rights of the employee they did not respond to the marriage ban .In 1960 after the formation of Federation of Pharmaceutical Employees Union, the marriage ban was challenged in the court. But the court considered it as a prerogative to run an enterprise rather than an act of discrimination. The protest of the women employees went out to the street and finally n 1965 the Supreme Court ruled in favour of the unions by quoting it as an act of discrimination.

1. Comment on the act discrimination faced by the women employees?
2. According to you, was the verdict of lower court correct?

2.12 Further Readings

1. Labour Problem and Social Welfare in India, Mamoria, C. B., KitabMahal, 1966
2. Labour Welfare and Social security, Kohli, A. S. and Sarma S. R., Anmol Publications Pvt. Ltd., 1977
3. Labour Welfare, Trade Unionism and Industrial Relation, Punekar, S. D., Himalaya Publishing House, 1978

Block Summary

The block gave a clear picture of work discrimination and empowerment of the women employees in India. Various legislative measures adopted to prevent these atrocities were also discussed in detail. The block also comprised a detailed discussion on different statutory welfare schemes and the importance of various statutory and non-statutory agencies in India. Moreover it had a detailed study on the International Labour organisation (ILO).The standards for the women employment in India was also discussed in this block.

Adequate levels of wages, secure and compassionate conditions of work and access to some least social security benefits are the major qualitative magnitude of employment, which improve quality of life of workers and their efficiency. A satisfied and content work force is a plus point for the industrial prosperity of any nation. The money spent on labour welfare by the employer is bound to react directly or indirectly to their own benefits and to the direct benefit of the employees. If work conditions are enhanced, it will certainly perk up the health and competence of the workers and which in turn, increase the production and the efficiency of workers. Some of the statutory welfare schemes are drinking water, first aid appliances, latrines, lighting and restrooms. Non statutory schemes are individual health care, employee support programs, and harassment policy and employee referral scheme. Though Indian women are far more self-governing and conscious of their legal human rights, such as right to work, equal treatment, property and maintenance, a majority of women remain ignorant of these rights. The wage disparity is one of the major problems faced by women employees. The Government must take initiative and support necessary measures to forbid discrimination against women. The women have commendably adapted to their new role and thus women need extra care during advanced stage of pregnancy, confinement and post-natal period. Moreover the women also need protection due to sex inferiority from men. Thus, besides the constitutional safeguards, diverse Acts have been passed with a attitude on prohibitions and situations of employment, benefit facilities and in connection to working hours, night work, defence of health and the like for fortification of the condition of women. Some of the Acts that helped to improve the employment conditions are Factories Act 1948, the Mines Act 1952, the Plantation Act 1951, the Shops and Establishments Acts, The Maternity Benefit Act 1961, Equal Remuneration Act, 1976 and the Equal Remuneration (Amendment) Act 1987. For the appropriate implementation of these Acts, it is necessary that machinery for enforcement of the Acts should be

reinforced through the engagement of Welfare officers, Safety Officers, Safety Engineers, Factories and Labour Inspectors.

Block Assignment

Short Answer Questions

1. Problems of Women Employees.
2. Social Security.
3. Standards for Women Employment.
4. International Labour Organisation.
5. Statutory Labour Welfare Schemes.
6. Maternity benefits of working women.
7. Equal remuneration for women workers.

Long Answer Questions

1. What does the Preamble of ILO state with regards to safety of labour force International Labour Organisation?
2. ILO Administrative Tribunal Discuss the several laws enacted by the legislature to protect the interest of women workers in India.
3. Comment on the status of Indian women in the work place.

Enrolment No.

1. How many hours did you need for studying the units?

Unit No	1	2	3	4
Nos of Hrs				

2. Please give your reactions to the following items based on your reading of the block:

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any Other Comments

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INDUSTRIAL RELATION AND LABOUR LAW





ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self-instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual-skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self-instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)



PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect.

All the best for your studies from our team!



INDUSTRIAL RELATION AND LABOUR LAW

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INDUSTRIAL RELATION AND LABOUR LAW

BLOCK 4: LABOUR LEGISLATION IN INDIA

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BLOCK 4: LABOUR LEGISLATION IN INDIA

Block Introduction

Labour legislations are the results of industrial revolution. They differ from the common laws due to their specific nature. They are not general in the perspective, theory and practice. Labour legislation refers to all laws of the government that provide social and economic security to the workers. These are intended to regulate the conditions of labour; hence they are required to be modified more frequently as compared to general legislations. Mostly the labour laws deal with the problems arising out of the occupation of an individual. India has a sensible testimony of trade union rights in the formal sector and in the informal the trade unions are generally operating in a non-hostile environment, as the legal protections are coming under threat. The seriousness of the issue increases while acknowledging that the labour in the informal sector constitutes the lower level of the Indian workforce in terms of wages, employment security, conditions of work and social security. Then also they act as a reservoir of cheap and easily available labour, often compelled to work on wages lower than the minimum wages fixed by the state. Collective bargaining with the help of unions in the informal sector can solve this situation by setting minimum wages and settling the disputes.

This block explains the influence of the International Labour Organisation in setting up the standards of the Labour Laws. The evaluation of the principles of Labour Legislation in India is also included in this block. The block also provides the knowledge about the working conditions in India. Moreover, it also explains about the topics like the Wages and Disputes, Social Security and Welfare, Labour Administration in India. The block also comprises a brief note on the Central and State Labour Ministry. The information about what are Labour Statistics and Intelligence and the agencies for collecting statistics were also included in this block .the block ends up by explaining the concept of Price-Index Number.

Unit 1 gives an idea of the Impact of I.L.O on Standards of Indian Labour Laws. It also critically evaluates the Principles of Labour Legislation in India by relating it to the working conditions, wages and disputes relating to it. Unit 2 provide details of Social Security and Welfare in India .A detailed study of the Labour Administration and Central and State Labour Ministry is also provided in

this unit. A brief awareness on the topics: Labour Statistics and Intelligence; Price-Index Number is also enclosed in this unit.

Block Objective

After learning this block, you will be able to understand:

- The labour discrimination, equal remuneration and child labour India.
- The concept of social security and welfare in India.
- Working conditions in India.
- About wages and disputes often related to it.
- Labour Administration.
- Role of Central and State Labour Ministry.
- The Labour Statistics and Intelligence.
- Concept of Price-Index Number.

Block Structure

Unit 1: Labour Legislation in India – I

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UNIT 1: LABOUR LEGISLATION IN INDIA – I

Unit Structure

1.0 Learning Objectives

1.1 Introduction

1.2 Impact of I.L.O on Standards of Labour Laws,

1.3 Critical Evaluation of the Principles of Labour Legislation in India, Relating to Working Conditions, Wages and Disputes

1.4 Let Us Sum Up

1.5 Answers for Check Your Progress

1.6 Glossary

1.7 Assignment

1.8 Activities

1.9 Case Study

1.10 Further Readings

1.0 Learning Objectives

After learning this unit, you will be able to understand:

- The impact of ILO on Labour Laws in India.
- How to evaluate the Principles of Labour legislation in India.
- Define the role of Labour Administration in India.
- Outline the involvement of Central and State Labour Ministry.
- Explain labour statistics and intelligence.
- Identify Price-Index Number.

1.1 Introduction

The labour movement has contributed a lot for the enactment of laws protecting labour rights in the 19th and 20th centuries. The history of labour legislation in India can be traced back to the history of British colonialism. The

influences of British political economy were naturally dominant in sketching some of these early laws. In the beginning, it was difficult to get enough regular Indian workers to run British establishments and hence laws for chartering workers became necessary. This was obviously done in order to protect the interests of British employers. However today in India the labour laws are so numerous, complex and ambiguous that they promote litigation rather than the resolution of problems relating to industrial relations.

The British enacted the Factories Act with a self-centred motive. It is well known that Indian textile goods offered serious competition to British textiles in the export market. In order to make India labour costlier, the Factories Act was first introduced in 1883 because of the pressure brought on the British parliament by the textile moguls of Manchester and Lancashire. Thus, we received the first stipulation of eight hours of work, the abolition of child labour and the restriction of women in night employment and the introduction of overtime wages for work beyond eight hours. While the impact of this measure was clearly for the welfare of the labour force the real motivation was undoubtedly the protection their vested interests.

India provides for core labour standards of ILO for welfare of workers and to protect their interests. India has a number of labour laws addressing various issues such as resolution of industrial disputes, working conditions, labour compensation, insurance, child labour, equal remuneration etc. Labour is a subject in the concurrent list of the Indian Constitution and is therefore a subject matter in the jurisdiction of both central and state governments. Both central and state governments have enacted laws on labour issues. Central laws grant powers to officers under the central government in some cases and can do the same for the officers of the state governments also in some cases.

1.2 Impact of I.L.O on Standards of Labour Laws

India has only ratified four of the core ILO labour conventions. In view of serious problems of child labour and forced labour, as well as restrictions on the trade union rights of workers in EPZ's and continuing gender discrimination in employment, determined measures are needed to comply with the commitments India accepted the WTO Ministerial Declarations held from 1996-2001 at Singapore, Geneva and Doha and in the ILO Declaration on Fundamental Principles and Rights at Work adopted in June 1998.

India has ratified neither of the two core ILO conventions protecting trade union rights. While trade union rights are generally respected for workers in formal employment, the vast majority of India's workforce are not in formal employment and so are not covered by legal provisions. This is the case for more than 90 per cent of Indian workers. Workers in export processing zones are unable to exercise their trade union rights.

India has ratified both of the core ILO Conventions on discrimination. Domestic laws to prohibit discrimination have not managed to curtail widespread discrimination on various grounds, including gender, caste and ethnicity. As concerns on gender discrimination in employment, the participation of women in the labour market is a fraction of the male participation rate and women are further under-represented in senior positions.

India has not ratified either of the two core ILO conventions on child labour. Child labour is a serious and widespread problem. India has ratified both the core ILO conventions on forced labour; however, forced labour is a widespread occurrence.

Internationally Recognised Core Labour Standards in India

Approximately 50 per cent of the formal workforce is unionised, although the formal workforce in India is dwarfed by those workers who have no legal recognition for their employment and who perform a range of informal and unprotected work.

1. Freedom of Association and the Right to Collective Bargaining

The right to freedom of association in trade unions is guaranteed in the Constitution (Article 19). The Trade Union Act of 1926 prohibits discrimination against union members and organisers in the formal and informal sectors, without distinction. However, as discussed below, union membership in the informal sector is rare. In general, trade union rights are respected in the formal sector in India and employers may be penalized if they discriminate against employees engaged in union activities. In both the public and private sectors, trade unions often exercise the right to strike and employers are prohibited from taking action against employees involved in legal strike action.

Collective bargaining is the normal means of setting wages and settling disputes in unionised plants in the organised industrial sector. Many important

collective agreements expired in 1998 and unions were put under considerable pressure by the authorities to sign ten-year agreements rather than the traditional five-year agreements. Although a system of specialized labour courts adjudicates labour disputes, there are long delays and a backlog of unresolved cases.

Legislation restricting trade union rights has been passed by the upper house of Parliament. If ratified, this legislation will increase workers to 100 – or ten per cent of the workforce, whichever is less – the minimum membership for a trade union to be registered. Recognition of registered trade unions is regulated by the Code of Discipline, which is only voluntary and is often breached by employers.

Planned amendments to the Industrial Disputes Act would permit firms employing less than 1000 people to lay-off workers or close down altogether without any consultation of the workforce. This threshold of 1000 workers would mean that three quarters of the formal workforce would be stripped of its right to consultation and would essentially be stripped of any job security. The government is also planning to amend the Contract Labour Act to facilitate outsourcing and contract employment, under which arrangements workers receive less legal protection.

The law on trade unions does not apply in Sikkim, a state annexed to India since 1975 and as a result, workers in Sikkim are not able to exercise their trade union rights. There are some workers' organisations, but their coverage is minimal. The government notice regarding freedom of association – replacing the law on trade unions in Sikkim – provides for excessive interference by the police and by the public in applications for registration of a workers' organisation.

In a clear violation of the commitment of the WTO to adhere to the ILO's core labour standards, the Government of Western Bengal state declared in December 2000 that trade union activism would no longer be allowed in order to attract industry. There are three export-processing zones (EPZs) and four special economic zones (SEZ's) in India. In theory, all labour and factory legislations apply fully in the zones and workers in the zones have the right to organise and bargain collectively. The government has expressed an assurance at the Indian Labour Conference and Standing Labour Committee that it will protect workers and trade union rights in these zones. However, in practice trade unions are rare despite the efforts of trade unions to organise workers there. EPZs are surrounded by security gates. Entry into the EPZs is ordinarily limited to the employees who are bussed directly to and from the factory door, meaning that union organisers are not allowed access.

Furthermore, there are moves to exempt the zones from the applicability of labour laws and some states, such as Andhra Pradesh, which have directed labour departments against conducting inspections in the zones. Women constitute the bulk of the work force in the EPZs, employed in establishments such as ready-made garments and electronics-based and software industries. In the Santa Cruz Electronics Export Processing Zone (SEEPZ) near Bombay, ninety per cent of the workers are women who are generally young and too frightened to form unions. Working conditions are bad and overtime is compulsory. A court in Bombay accepted, on presentation by the employer of a list of signatures, that workers in the SEEPZ had voluntarily agreed to overtime, while these same workers were in fact protesting against forced overtime. The court made no effort to validate the list of signatures.

Workers fear victimisation by management and those who protest are immediately sacked. It is common for workers to be employed by fictitious contractors on temporary contracts rather than directly by the company. In the Noida EPZ, workers have been sacked for demanding that labour laws should be implemented. The government has designated the zones „public utilities“, requiring a longer strike notice period.

There remain serious problems with anti-union discrimination and the use of violence against protesting workers, including in the tea plantation sector. In one example from Tamil Nadu state, 17 workers and family members were killed by police while demanding their legally mandated increase in poverty wages, even though the demonstration had been approved by the authorities. In another case, in the automotive industry, two trade union activists were found dead in the factory grounds of the Suzuki Maruti Udyog car plant shortly after a strike notice had been filed in a dispute with the employer.

In practice, legal protections of worker rights are provided only for the 30 million workers in the formal sector, out of a total work force of approximately 400 million. Outside the formal sector, laws are not enforced and collective bargaining does not exist. Union membership is rare among these informal workers, due to the lack of legal recognition and the common absence of a contract or a clear employment relationship. Further, trade union organisations find it difficult to organise informal workers due to lack of adequate resources and means. Informal or unprotected workers are prevalent in all sectors of the economy. Out of 28.9 million workers engaged in the manufacturing sector, only 7.3 million- about 25 per cent- are in the formal sector. In trade and commerce, 98 per cent of the total workforce is informal. Similarly, out of 191 million workers

engaged in the agriculture, forestry, fishing and plantation sector, about 190 million - 99 per cent - are informal.

A further category of informal workers includes the millions of home based workers, primarily women, who produce consumer products inside their homes on a piece rate basis. While this matter is under discussion, at present the government does not recognise them as workers but in the category of the self-employed, meaning that they do not fall within the purview of the Minimum Wages Act and other protections provided by labour laws.

While the federal government and some state governments, such as Kerala and Maharashtra, have introduced programmes of poverty alleviation to assist the workers concerned, particularly in the agricultural sector, the plight of informal sector workers remains an extremely serious problem. Labour in the informal sector constitutes the bottom rung of India's workforce in terms of level of wages, employment security, conditions of work and social security. They serve as a vast reservoir of cheap and easily available labour, often compelled to work on wages lower than the minimum wages fixed by the state.

Furthermore, at present many workers in long-established formal sector manufacturing and industrial plants are faced with massive layoffs, meaning in many cases that production is transferred to the informal sector through subcontracting. Many groups of public sector workers are denied the right to join unions such as fire fighters, law and order staff, prison staff, judicial officers and defence forces staff. These groups can only form associations to represent staff.

Some states have laws requiring workers in certain non-public sector industries to give prior strike notice. The Essential Services Maintenance Act allows the Government to ban strikes and requires conciliation or arbitration in specified essential industries. However, despite the ban on strikes by government employees, it is not uncommon for strikes to be held and settlements reached through negotiation between the union and the Government. Those services to be treated under the ESMA have not been defined, such that interpretation differs from state to state. There is also evidence of this lack of specification being abused, such as in the case of a teachers' strike in Gujarat state, where 450 teachers were arrested and told to return immediately to work or the authorities would invoke the ESMA in order to charge the striking teachers. In another example of excessive restrictions on the right to strike, a strike by 600,000 postal and telegraph employees was deemed illegal and the workers were threatened with arrest if they did not return to work. The workers' were striking to force the

postal service to recognise the 300,000 workers that operate small local post offices as employees rather than independent agents.

In early 2002, the State government of Kerala invoked provisions of the ESMA in response to a strike by government employees. These provisions were used to terminate the contracts of all temporary government employees. The state government of Tamil Nadu has also recently invoked the ESMA to impose fines and imprisonment on striking workers in services deemed by the government to be essential.

The Conduct Rules, pertaining to civil servants, state that no government servant can resort to any form of strike or coercion in connection with any matter pertaining to his/her service; and that making of joint representations is a subversion of discipline and not permitted. The provisions of these Conduct Rules have been cited by the government of India as one of the reasons for its failure to ratify ILO Conventions 87 and 98.

While India has a reasonable record of trade union rights in the formal sector and trade unions can generally operate in a non-hostile environment, some of these protections are coming increasingly under threat. It is clear that in a number of areas there is much room for improvement, particularly regarding trade union rights for informal workers, civil servants and workers in export processing zones. Many of the informal workers, as well as those in the EPZ's and SEZ's, have no real protection of their rights at work and are directly involved in producing exports. An important state government move made clear its intent to crush trade unions as an inducement to investment.

2. Discrimination and Equal Remuneration

The low proportion of women workers in the total workforce as well as relative to the female population as a whole provides an indication of the extent of prejudice. Fast growing urbanization has not resulted in a major increase in the female participation rate. As of the late 1990's, of the major cities, women made up just 11 per cent of the formal sector work force in Mumbai, 8.4% in Chennai, 7.4% in Delhi and 3.7% in Calcutta. However, the formal labour statistics vastly undercount the number of women who are working and their work is often invisible (although the census now recognises that the production and services provided by women should be taken into account). It has been estimated that 80% of working women are found in the informal sector. Women are working as cultivators, agricultural labourers, forest produce collectors, in tea plantations,

construction industry, as land-less labourers, fisheries, animal husbandry, sericulture, and tobacco and bidi workers and in home based occupations, as weavers, spinners, garments, and food processing, as vendors and hawkers and domestic workers.

The fact that women constitute only a small minority of the formal work force is an indication of the level of discrimination in the labour market and the lack of opportunities to enter formal work. However, at the same time there are a growing number of families surviving solely on women's earnings. Discrimination against widows is a particularly pervasive problem. Women, especially those in informal occupations, are also subject to sexual harassment.

Despite the existence of the Equal Remuneration Act 1976, which several Indian trade union organisations maintain has not been implemented, virtually nowhere are equal wages paid to men and women for the same work (as is common, of course, not just in India but throughout the world). Some estimates have found that women workers generally earn about 50% of their male colleagues in both urban and rural areas, although other sources have contested this figure. Compounding the problem is the fact that women are working in occupations where social security legislation does not cover them, as is true of men in such sectors. Their work is often seasonal and casual such as self-employed or piece rate workers, in subsistence agriculture, as seasonal and as casual workers. However, some innovative schemes are being developed by some self-employed workers' organisations to cover their members for social security and there are some reports of improvement in their situation.

There is discrimination against girls in access to education. Household responsibilities, especially looking after younger sisters and brothers and assisting the mother in work situations, prevents girls from getting the same education as her brothers. The gap between male and female education is wide. The role women play in agriculture and food security has not been taken into account in programmes for improving their standards and skills. Special poverty alleviation schemes such as the Integrated Rural Development Programme and the Employment Assurance Scheme have been largely focused on the male population. The ILO Committee of Experts on the Application of Conventions and Recommendations has noted that although the government has taken some measures to achieve equal remuneration between women and men, there is much room for further actions, particularly in traditional industries. While the government has included policies and programmes to achieve the empowerment of women in its Ninth Plan, these have been criticized as being mostly superficial,

especially with regard to elimination of poverty for women and tackling discrimination in the labour market and pay.

Despite constitutional safeguards and laws designed to prevent discrimination, indigenous people and low castes in India have often suffered discrimination and harassment. To remedy this situation, specified “historically disadvantaged” castes and tribes are entitled to affirmative action in employment and other benefits. These "scheduled" tribes and castes benefit from special development funds, government hiring quotas and special training programs.

While there is no law concerning accessibility for the disabled, the Government reserves 3 per cent of positions in official offices and state owned enterprises for people with visual, hearing or orthopaedic disabilities and provides special railway fares, education allowances, scholarships and training to assist people with disabilities.

Grave discrimination persists in India. Laws providing for equal remuneration have not been adequately implemented. Discrimination in the export processing zones does affect the costs of India's exports. Caste and ethnic discrimination persists, notwithstanding remedial programmes aiming at their integration.

3. Child Labour

There is no universal minimum age for employment and primary school education is not compulsory, free and universal. Child labour is not illegal in India except in hazardous sectors. The Child Labour (Prohibition and Regulation) Act 1986 prohibits employment of children in some occupations and processes considered hazardous, notably railways; carpet weaving; cement manufacturing; building and construction; cloth printing; dyeing and weaving; matches, explosives and fireworks; cigarette making; printing; and soldering processes in electronics industries. The Act regulates employment of children in other areas, providing for six hours' daily work and one day's rest per week. Forced and bonded labour by children is prohibited, but this law is not enforced effectively.



Fig 1.1 Child labour

The implementation of the Child Labour (Prohibition and Regulation) Act 1986, which is the responsibility of state governments, is very poor as reflected by the lack of convictions under the Act. Industries that utilize a large degree of child labour include many, which are defined as hazardous under the Act. The main sectors using child labour include agriculture, hand-knotted carpets, gemstone polishing, brass and base metal articles, glass and glassware, footwear, textiles, silk, fireworks, beedi cigarettes, domestic service and sporting goods.

Estimates of the numbers of working children in India vary between 22 million and 50 million - indeed, some estimates have put the figure as high as 100 million. Due to the clandestine nature of much child labour, accurate figures are hard to obtain. The ILO estimates the number as at least 44 million, while the Government in 1999 estimated 11 million child workers. The Commission on Labour Standards set up by the government of India in 1995 found the number of child labourers at 25 million (1993) and growing at the rate of 4 per cent per year. Of a primary school-age population (between the ages of 5 and 14) of approximately 205 million, about 120 million children attend school. Most, if not all, of the 85 million children not in school do housework, work on family farms, work alongside their parents as paid agricultural labour, work as domestic servants, or are otherwise employed.

Perhaps half of India's child labourers are engaged in dangerous professions. Many of them do not survive the harsh environment or are left physically or mentally scarred. The other half are employed elsewhere in the vast informal sector where they are deprived of minimum wages, regular working hours and any measure of job security. Some of the sectors where children are employed are closely export related, particularly gemstones and jewellery - which

accounted for 17% of India's exports in 1994/95 - carpets, textiles and sporting goods.

A research survey by Christian Aid in 1997 revealed that Indian children as young as seven were routinely stitching footballs for export to Britain and that there are about 30,000 children employed in India's sports-goods industry. In the carpet industry, human rights organisations estimate that there may be as many as 300,000 children working, many of them under conditions that amount to bonded labour. The Indian government has now indicated support for fair labelling initiatives.

In the diamond cutting and polishing industry in India, at least 10 per cent of the 800,000 workers are less than 14 years old. They work for 12 hours a day, paid a wage that is as a maximum 60 per cent of the normal average daily wage of an adult. These industries are located in Bombay, Surat, Ahmedabad, Navsari and Bhavnagar. Conditions for other gemstones are worse still than in the diamond sector and many children work up to two years for no income under the pretext that they are "learning the trade". About 200,000 child labourers are employed in Jaipur where some 95 per cent of gemstones processed in India are cut, shaped, polished and carved.

A 1996 Supreme Court decision imposed a penalty of about \$570 (25,000 rupees) on persons employing children in hazardous industries and stipulated that parents or guardians of children receive an income supplement payment from a fund created with this money, on condition that the children removed from employment attend school.

A plan to eliminate child labour from hazardous industries by the year 2000 and from all industries by 2010 has so far touched only a small fraction of children in the workplace. The current government has carried on with the programme, but has dropped the time bound targets. The programme, for which approximately \$60 million has been budgeted since its inception, includes enhanced enforcement of child labour laws, income supplements for families and subsidized school lunches in areas with a concentration of child labour and a public awareness campaign.

A Constitutional provision to provide free and universal primary education has never been implemented and school enrolment rates remain low notwithstanding recent commitments to a 300 per cent increase in the education budget. The Government has informed the ILO that changes to child labour laws are being considered, which would include a universal minimum age for

employment of 14 and a minimum age for hazardous employment of 18. There has however been no progress in this regard for the last two years.

India has been involved with the ILO's IPEC since the early 1990's and some estimates suggest 90,000 child labourers have been rehabilitated in that time. There is also the National Child Labour Project (NCLP) that rehabilitates children in hazardous work through education and small family stipends. Government figures suggest that over 200,000 children were involved in the NCLP over the course of the year 2000, but no figures are available to suggest how many of these children were actually removed from hazardous employment. There are also numerous non-governmental organisations active in rehabilitating working children, notable among which is the South Asian Coalition on Child Servitude (SACCS).

Trade unions, social organisations and the government have initiated programmes to work together to achieve the elimination of child labour. Such programmes need to be supported through a much greater commitment of resources from the government of India. Such an effort stands to yield substantive results. In this regard, the example of the relatively poor Indian state of Kerala continues to be extremely instructive. Kerala's consistently high level of spending on education as a share of the state budget, well above the average level in India, has achieved spectacular successes in terms of the highest school retention rate in India; by far the lowest gender disparity; almost double the national figure for literacy and a far lower work participation rate of children, at one third or less the average level for India.

Governmental efforts to reduce child labour have yet to have much impact and must be considered inadequate to deal with the scale of the problem, although the activities of the ILO's IPEC have been making some progress. The problem remains enormous, however and there is a clear need for changes to national laws with regard to the prohibition of child labour and provision of universal, free compulsory education.

4. Forced Labour

The vast majority of estimates for the number of forced or "bonded" labourers in India range between 5 million and, 20 million according to a recent research from Anti-Slavery International. Some sources suggest a lower figure. Bonded labour is a specific form of forced labour, which describes a private contractual relationship whereby a worker incurs or inherits debts to a contractor

and then must work off the debt plus interest. However, it is often the case and many loan arrangements are made to ensure that their debts can never be paid off. As long as any part of the loan remains outstanding, the worker will then be bound to work for their creditor. In case of sickness or death, the debtor's family is responsible for clearing the debt. Through this mechanism, the debt is passed down from one generation to another in a form of intergenerational bondage.

An unknown number of bonded labourers are children. Many of the estimated 300,000 children working in the carpet industry work in conditions tantamount to forced labour. Bonded child labour is most common in agriculture, particularly in states such as Bihar, Rajasthan and Uttar Pradesh. It is also prevalent in the following occupations: brassware, fireworks, footwear, glass blowing, lock making, stone quarrying, silk spinning, brick making and bidi rolling. It is understood that children work in the low added-value hand-production end of all of these industries.

The Indian news media often carry stories of brutality against bonded labourers by landowners and factory owners. Those working to free bonded labourers from servitude are also subject to violent intimidation by landowners or local authorities. In one example from Uttar Pradesh, bonded labourers seeking release, their relatives and a local organisation assisting the men were all harassed and threatened with imprisonment.

Forced labour is prohibited by the Constitution and by law. Bonded labour, as a form of compulsory labour, is prohibited by the Bonded Labour System (Abolition) Act of 1976. Enforcement of this statute, which is the responsibility of state governments, varies from state to state, but has generally been very inadequate. Since the enactment of the Act in 1979, the government estimates over 200,000 bonded labourers have been „released and rehabilitated“. However, relative to the total number of bonded labourers, those released are at most one-twentieth of the total.

The National Human Rights Commission set up in 1994 has targeted bonded labour and asked state Governments to take speedy and definite steps for the elimination of bonded labour. This has been taken up more in some states than in others. In Tamil Nadu for example, began implementing rehabilitation plans and spent \$1.25 million in 1999 on freeing bonded labourers. The trafficking of persons is also widespread in India, with persons, including children, being bought and sold for the purposes of labour, domestic service and prostitution. Some estimates suggest 2.3 million persons working in the sex industry against their will, up to 15 per cent of who are children. Women and children, primarily

girls, are trafficked into India from neighbouring countries such as Nepal and Bangladesh and trafficked within India from rural areas to the major cities, for the purposes of prostitution. There are reports of the sale of girls between the ages of 1 and 2 years, who are trained for the sex trade and sold on.

India continues to be criticized by the ILO Committee of Experts on the Application of Conventions and Recommendations for its inaction to implement its legislation on bonded labour and it has since been criticized by the United Nations Committee on the Rights of the Child (CRC) regarding the gaps in its legislation that hinder attempts to eliminate forced child labour.

Forced labour, including of children, in India is a major problem despite the existence of satisfactory legislation providing for its prohibition. There are certainly links to some export sectors including carpets and agriculture. It is clear that substantial action is needed to bring about the full implementation of the law on forced labour and the release of all bonded labourers.

Check your progress 1

1. The right to freedom of association in trade unions is guaranteed in the _____ of the Constitution.
 - a. Article 20
 - b. Article 18
 - c. Article 19
2. The Trade Union Act of _____ prohibits discrimination against union members and organisers in the formal and informal sectors, without distinction.
 - a. 1920
 - b. 1926
 - c. 1921
3. Recognition of registered trade unions is regulated by the Code of Discipline, which is only voluntary and is often breached by employers.
 - a. True
 - b. False

Wages

Wage discrimination exists in the unorganised sector and more prominent in agriculture sector. Wage discrimination exists between men and women doing the same job. Discrimination against women in the payment of wages is wide spread in India. Women workers are in general classified as those belonging to the organised and unorganised sectors. The economic conditions of women are quite obvious from the fact that 94% of them are found in unorganised sector leaving only 6% in the organised sector. Out of the 94% of the female labourers found in the unorganised sector, nearly 80% belongs to agriculture since India is still, by and large an agricultural country. The low rates of wage for women labourers are due to the unorganised nature of employment, the ease with which hired labour can be substituted by family labour, the seasonal nature of the demand for labour and the traditional classification of agricultural jobs into male and female. Agricultural women labourers are also handicapped by poverty, illiteracy and ignorance of the law are amongst the worst affected. Apart from wage differentials for the same jobs, assigning lower rates for jobs traditionally done by women strengthens discrimination against women agricultural labourers and higher wages are assigned to the jobs traditionally done by men.

Disputes

Union membership is concentrated in the organised sector and in the early 1990s; total membership was about 9 million. Politicians have often been union leaders and some analysts believe that strikes and other labour protests are called primarily to further the interests of political parties rather than to promote the interests of the work force. In Indian labour arena we see, multiplicity of unions and Inter-union rivalry. Statutory provisions for recognising unions as bargaining agents are absent. It is believed that the institution of collective bargaining is still in its preliminary and organisational stage.

The isolated, insecure and exploited labourers in rural areas and in the urban unorganised sectors present a stark contrast to the position of unionised workers in many modern enterprises. In the early 1990s, there were estimates that between 10 per cent and 20 per cent of agricultural workers were bonded labourers.

Social Security and welfare

The workers in the organised sector have secured jobs and price-adjusted salaries and protected against loss of income due to illness, disability, old age, death etc. The unorganised sector has been growing in the last five decades due to a shift to home based work, subcontracting of huge orders to small units. Many such small units do not comply with social security norms. Many in the urban unorganised sector are self-employed labourers, street vendors, petty traders and other services providers who receive little income. These workers contribute 60% to the national income but are deprived of promotional securities like food, housing, education, health security and preventive social security like loss of income.

Check your progress 2

1. The Factories Act regulates working conditions in mechanized factories employing more than_____, employees or non-mechanized factories employing more than_____.
a. 15;25
b. 10;20
c. 20;30
2. The low rates of wage for women labourers are due to the unorganised nature of employment.
a. True
b. False
3. The economic conditions of women are quite obvious from the fact that 94% of them are found in_____leaving only 6% in the organised sector.
a. Industrial sector
b. agricultural sector
c. unorganised sector

1.4 Let Us Sum Up

To conclude, in India the labour laws are so numerous, complex and ambiguous that they promote litigation rather than the resolution of problems relating to industrial relations. India provides for core labour standards of ILO for welfare of workers and to protect their interests. Labour is a subject in the

concurrent list of the Indian Constitution and is therefore in the jurisdiction of both central and state governments. India has only ratified four of the core ILO labour conventions. While trade union rights are generally respected for workers in formal employment, the vast majority of India's workforce are not in formal employment and so are not covered by legal provisions. The right to freedom of association in trade unions is guaranteed in the Constitution (Article 19). The Trade Union Act of 1926 prohibits discrimination against union members and organisers in the formal and informal sectors, without distinction. Fast growing urbanization has not resulted in a major increase in the female participation rate. Women, especially those in informal occupations, are subject to sexual harassment. Child labour is not illegal in India except in hazardous sectors. The Child Labour (Prohibition and Regulation) Act 1986 prohibits employment of children in some occupations and processes considered hazardous. Bonded labour is a specific form of forced labour, which describes a private contractual relationship whereby a worker incurs or inherits debts to a contractor and then must work off the debt plus interest. However, it is often the case and many loan arrangements are made to ensure that their debts can never be paid off. Enforcement of these laws has been imperfect, however and working conditions for workers not subject to the Factories Act are often quite poor. Payment of wages is governed by the Payment of Wages Act, 1936 and Minimum Wages Act, 1948. Industrial wages range from about USD 3 per day for unskilled workers, to over USD 150 per month for skilled 149 production workers. Wage discrimination exists in the unorganised sector and more prominent in agriculture sector. Wage discrimination exists between men and women doing the same job. Politicians have often been union leaders and some analysts believe that strikes and other labour protests are called primarily to further the interests of political parties rather than to promote the interests of the work force. In Indian labour arena we see, multiplicity of unions and Inter-union rivalry.

1.5 Answers for Check Your Progress

Check your progress 1

Answers: (1-c), (2-c), (3-a), (4-c), (5-b), (6-a)

Check your progress 2

Answers: (1-b), (2-a), (3-c)

1.6 Glossary

1. **Abolition** - elimination
2. **Comply** - obey
3. **Annex** - occupy
4. **Prejudice** - injustice
5. **Alleviation** - lessening
6. **Affirmative** - positive
7. **Deprived** - poor
8. **Debt** - liability
9. **Retrenchment** - reduction of expenditure

1.7 Assignment

Conduct a study of women employment in different sectors of India. The comparison of wages and social security benefits should be included in the study.

1.8 Activities

Evaluate different employment sectors and find out in which sector child labour is common.

1.9 Case Study

11 year old Nandu is busy serving tea and hot „samosa“ with his sma I hands to customers visiting his father“s sma I tea sta I in the crowded Kannur railway station area. It is a very thickly populated area with hectic activities. Nandu hails from Tamilnadu and has moved to Kannur along with his parents and younger brothers, in the search of better means of earning. His father runs a tea stall while his mother works as a domestic maid in the nearby apartments. His two younger brothers go to school and are in classes one and three. Nandu used to go to school when he was in his village at Tamilnadu. He loved going to school and enjoyed playing with his friends in the school in b0reak. Though he missed the schooling, Nandu feels that helping his parents to run the family is his primary duty. So he

helps his father in the tea stall and later helps his mother in washing utensils and collecting water from the common tap. He sometimes gets a little money from her father as pocket money and often goes to watch Tamil films. Nandu has prematurely matured due to his living circumstances.

1. Issue of poverty is preventing the successful implementation of Law-comment in the context of the case study given.

1.10 Further Readings

1. Dynamics of Industrial Relations in India, Mamoria C. B. and Mamoria, Himalaya Publishing House, 1992.
2. Labour and Industrial Laws, P.K. Padhi, Prentice Hall of India, 2007.
3. Labour Economics-Principles, Problems and Practices, Singh, Jwitesh Kumar, Deep & Deep Publications Pvt. Ltd., 1998.

UNIT 2: LABOUR LEGISLATION IN INDIA – II

Unit Structure

- 2.0 Learning Objectives**
- 2.1 Introduction**
- 2.2 Social Security and Welfare**
- 2.3 Labour Administration in India**
- 2.4 Central and State Labour Ministry**
- 2.5 Labour Statistics and Intelligence**
 - 2.5.1 Agencies for collecting statistics
 - 2.5.2 Labour Intelligence
- 2.6 Price-Index Number**
- 2.7 Let Us Sum Up**
- 2.8 Answers for Check Your Progress**
- 2.9 Glossary**
- 2.10 Assignment**
- 2.11 Activities**
- 2.12 Case Study**
- 2.13 Further Readings**

2.0 Learning Objectives

After learning this unit, you will be able to understand:

- Discuss the socio-economic background of Indian labour.
- Outline general economic problems of labour in India.
- Explain the wages and standard of living of the labour force.
- Show unemployment and employment trends in India.

2.1 Introduction

Social security is basically a social insurance program offering social protection or protection from the socially accepted situations, such as unemployment, poverty, old age and disability.

The Indian Government is well aware of the call for improvement, supervision and infrastructure development in the carrying out of welfare programmes. Thus it has transformed the social welfare from an unofficial and voluntary practice to a formal official structure resulting in an active welfare administration in the country.

Central Government is primarily accountable to endorse different legislations for labour that comes under the union list. The Ministry of Labour of the Government of India is the central point of all decisions related to labour in India. And thus all the organizations and agencies concerned in labour administration in the centre or states are directed, controlled and organized by this ministry.

2.2 Social Security and Welfare

Working conditions

The Factories Act regulates working conditions in mechanized factories employing more than 10 employees or non-mechanized factories employing more than twenty, prescribing standards for working conditions, working hours, handling and storage of materials, etc. Other laws regulate employment of women and children and prohibit bonded labour.

Enforcement of these laws has been imperfect, however and working conditions for workers not subject to the Factories Act are often quite poor. Payment of wages is governed by the Payment of Wages Act, 1936 and Minimum Wages Act, 1948. Industrial wages range from about USD 3 per day for unskilled workers, to over USD 150 per month for skilled 149 production workers. Retrenchment, closure and layoffs are governed by the Industrial Disputes Act, which requires prior government permission to carry out layoffs or closure of businesses employing 100 or more workers. In practice, permission is not easily obtained.

Wages

Wage discrimination exists in the unorganised sector and more prominent in agriculture sector. Wage discrimination exists between men and women doing the same job. Discrimination against women in the payment of wages is wide spread in India. Women workers are in general classified as those belonging to the organised and unorganised sectors. The economic conditions of women are quite obvious from the fact that 94% of them are found in unorganised sector leaving only 6% in the organised sector. Out of the 94% of the female labourers found in the unorganised sector, nearly 80% belongs to agriculture since India is still, by and large an agricultural country. The low rates of wage for women labourers are due to the unorganised nature of employment, the ease with which hired labour can be substituted by family labour, the seasonal nature of the demand for labour and the traditional classification of agricultural jobs into male and female. Agricultural women labourers are also handicapped by poverty, illiteracy and ignorance of the law are amongst the worst affected. Apart from wage differentials for the same jobs, assigning lower rates for jobs traditionally done by women strengthens discrimination against women agricultural labourers and higher wages are assigned to the jobs traditionally done by men.

Disputes

Union membership is concentrated in the organised sector and in the early 1990s; total membership was about 9 million. Politicians have often been union leaders and some analysts believe that strikes and other labour protests are called primarily to further the interests of political parties rather than to promote the interests of the work force. In Indian labour arena we see, multiplicity of unions and Inter-union rivalry. Statutory provisions for recognising unions as bargaining agents are absent. It is believed that the institution of collective bargaining is still in its preliminary and organisational stage.

The isolated, insecure and exploited labourers in rural areas and in the urban unorganised sectors present a stark contrast to the position of unionised workers in many modern enterprises. In the early 1990s, there were estimates that between 10 per cent and 20 per cent of agricultural workers were bonded labourers.

Social Security and welfare

The workers in the organised sector have secured jobs and price-adjusted salaries and protected against loss of income due to illness, disability, old age, death etc. The unorganised sector has been growing in the last five decades due to a shift to home based work, subcontracting of huge orders to small units. Many

such small units do not comply with social security norms. Many in the urban unorganised sector are self-employed labourers, street vendors, petty traders and other services providers who receive little income. These workers contribute 60% to the national income but are deprived of promotional securities like food, housing, education, health security and preventive social security like loss of income.

Check your progress 1

1. Wage discrimination exists in the unorganised sector and is more prominent in agriculture sector.
 - a. True
 - b. False
2. In India payment of wages is governed by the_____.
 - a. Payment of Wages Act, 1936
 - b. Minimum Wages Act, 1948
 - c. Both a and b
 - d. None of these
3. In India the workers of _____contribute 60% to the national income but are deprived of promotional securities like food, housing, education, health security and preventive social security like loss of income.
 - a. Organised sector
 - b. unorganised sector
 - c. None of these

2.3 Labour Administration in India

There are over 45 legislations on labour from the Central Government and the number of legislations enacted by the State Governments is close to four times that of the Central Acts.

Labour Laws can be classified into the following eight categories:

- a) Laws related to Industrial Relations.
- b) Laws related to Wages.
- c) Laws related to Specific Industries.
- d) Laws related to Equality and Empowerment of Women.

- e) Laws related to Deprived and Disadvantaged Sections of the Society.
- f) Laws related to Social Security.
- g) Laws related to Employment & Training.
- h) Others

Laws related to Industrial Relations

- 1. The Trade Unions Act, 1926
 - a. The Industrial Employment (Standing Orders) Act, 1946
 - b. The Industrial Employment (Standing Orders) Rules, 1946
- 2. The Industrial Disputes Act, 1947
 - a) Laws related to Wages**
 - 1. The Payment of Wages Act, 1936
 - 2. The Payment of Wages Rules, 1937
 - 3. The Minimum Wages Act, 1948
 - 4. The Minimum Wages (Central) Rules, 1950
 - 5. The Working Journalist (Fixation of Rates of Wages) Act, 1958
 - 6. Working Journalist (Conditions of service) and Miscellaneous Provisions Rules, 1957
 - 7. The Payment of Bonus Act, 1965
 - 8. The Payment of Bonus Rules, 1975
 - b) Laws related to Specific Industries**
 - 1. The Factories Act, 1948
 - 2. The Dock Workers (Regulation of Employment) Act, 1948
 - 3. The Plantation Labour Act, 1951
 - 4. The Mines Act, 1952
 - 5. The Working Journalists and other Newspaper Employees“ (Conditions of Service and Misc. Provisions) Act, 1955
 - 6. The Working Journalists and other Newspaper Employees“ (Conditions of Service and Misc. Provisions) Rules, 1957

7. The Merchant Shipping Act, 1958
8. The Motor Transport Workers Act, 1961
9. The Bidi and Cigar Workers (Conditions of Employment) Act, 1966
10. The Contract Labour (Regulation & Abolition) Act, 1970
11. The Sales Promotion Employees (Conditions of Service) Act, 1976
12. The Sales Promotion Employees (Conditions of Service) Rules, 1976
13. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
14. The Shops and Establishments Act
15. The Cinema Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981
16. The Cinema Workers and Cinema Theatre Workers (Regulation of Employment) Rules, 1984
17. The Cine Workers' Welfare Fund Act, 1981
18. The Dock Workers (Safety, Health & Welfare) Act, 1986
19. The Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996
20. The Dock Workers (Regulation of Employment) (inapplicability to Major Ports) Act, 1997
21. The Mica Mines Labour Welfare Fund Act, 1946
22. The Limestone & Dolomite Mines Labour Welfare Fund Act, 1972
23. The Bidi Workers Welfare Fund Act, 1976
24. The Bidi Workers Welfare Cess Act, 1976
25. The Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines Labour Welfare Fund Act, 1976
26. The Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines Labour Welfare Cess Act, 1976
27. The Cine Workers Welfare Fund Act, 1981
28. The Employment of Manual Scavengers and Construction of Dry latrines Prohibition Act, 1993
29. The Coal Mines (Conservation and Development) Act, 1974

c) Laws related to Equality and Empowerment of Women

1. The Maternity Benefit Act, 1961
2. The Equal Remuneration Act, 1976

d) Laws related to Deprived and Disadvantaged Sections of the Society

1. The Bonded Labour System (Abolition) Act, 1976
2. The Child Labour (Prohibition & Regulation) Act, 1986

e) Laws related to Social Security

1. The Workmen's Compensation Act, 1923
2. The Employees' State Insurance Act, 1948
3. The Employees' Provident Fund & Miscellaneous Provisions Act, 1952
4. The Payment of Gratuity Act, 1972

f) Laws related to Employment & Training

1. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
2. The Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1959
3. The Apprentices Act, 1961

g) Others

1. The Fatal Accidents Act, 1855
2. The War Injuries Ordinance Act, 1943
3. The Weekly Holiday Act, 1942
4. The National and Festival Holidays Act
5. The War Injuries (Compensation Insurance) Act, 1943
6. The Personal Injuries (Emergency) Provisions Act, 1962
7. The Personal Injuries (Compensation Insurance) Act, 1963
8. The Labour Laws (Exemption from Furnishing Returns and Maintaining Registered Certain Establishments) Act, 1988
9. The Public Liability Insurance Act, 1991

Labour Jurisdiction-State vs. Central

Under the Constitution of India, Labour is a subject in the Concurrent List where both the Central & State Governments are competent to enact legislation subject to certain matters being reserved for the Centre.

Constitutional Status

Union List	Concurrent List
Entry No. 55 : Regulation of labour and safety in mines and oil fields	Entry No. 22: Trade Unions; industrial and labour disputes
Entry No. 61: Industrial disputes concerning Union employees	Entry No.23: Social Security and insurance, employment and unemployment
Entry No.65: Union agencies and institutions for "Vocational ...training..."	Entry No. 24: Welfare of labour including conditions of work, provident funds, employers' liability, workmen's compensation, invalidity and old age pension and maternity benefit

Matters relating to Social Security are Directive Principles of State Policy and the subjects in the Concurrent List. The following social security issues are mentioned in the Concurrent List (List III in the Seventh Schedule of the Constitution of India) –

Item No. 23: Social Security and insurance, employment and unemployment

Item No. 24: Welfare of Labour including conditions of work, provident funds, employers' liability, workmen's compensation, invalidity and old age pension and maternity benefits

Part III Fundamental Rights

Article 16: Equality of opportunity in matters of public employment

- (1) There shall be equality of opportunity for all citizens in matters relating to employment or appointment to any office under the State.

- (2) No citizen shall, on grounds only of religion, race, caste, sex, descent, place of birth, residence or any of them, be ineligible for, or discriminated against in respect of, any employment or office under the State.
- (3) Nothing in this article shall prevent Parliament from making any law prescribing, in regard to a class or classes of employment or appointment to an office under the Government of, or any local or other authority within, a State or Union territory, any requirement as to residence within that State or Union territory] prior to such employment or appointment.
- (4) a. Nothing in this article shall prevent the State from making any provision for reservation in matters of promotion to any class or classes of posts in the services under the State in favour of the Scheduled Castes and the Schedule Tribes, which, in the opinion of the State, are not adequately represented in the services under the State.
- (4) b. Nothing in this article shall prevent the State from considering any unfilled vacancies of a year which are reserved for being filled up in that year in accordance with any provision for reservation made under clause (4) or clause (4A) as a separate class of vacancies to be filled up in any succeeding year or years and such class of vacancies shall not be considered together with the vacancies of the year in which they are being filled up for determining the ceiling of fifty per cent reservation on total number of vacancies of that year.
- (5) Nothing in this article shall affect the operation of any law, which provides that the incumbent of an office in connection with the affairs of any religious or denominational institution or any member of the governing body thereof shall be a person professing a particular religion or belonging to a particular denomination.

Article 24: Prohibition of employment of children in factories, etc.

No child below the age of fourteen years shall be employed to work in any factory or mine or engaged in any other hazardous employment.

Part IV Directive Principles of State Policy

Article 41: Right to work, to education and to public assistance in certain cases

The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public

assistance in cases of unemployment, old age, sickness and disablement and in other cases of undeserved want.

Article 42: Provision for just and humane conditions of work and maternity relief

The State shall make provision for securing just and humane conditions of work and for maternity relief.

Article 43: Living wage, etc., for workers

The State shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the State shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas.

Article 43A: Participation of workers in management of industries

The State shall take steps, by suitable legislation or in any other way, to secure the participation of workers in the management of undertakings, establishments or other organisations engaged in any industry.

Check your progress 2

1. There are over _____ legislations on labour from the Central Government.
a. 35
b. 45
c. 55
2. In India the Industrial Employment (Standing Orders) Act was enacted in _____.
a. 1946
b. 1958
c. 1961
3. The Working Journalist (Fixation of Rates of Wages) Act was enacted in _____.
a. 1946
b. 1958
c. 1949

4. The Motor Transport Workers Act was enacted in_____.

- a. 1961
- b. 1965
- c. 1981

5. The Cine Workers Welfare Cess Act_____.

- a. 1961
- b. 1981
- c. 1970

6. The Bonded Labour System (Abolition) Act_____.

- a. 1981
- b. 1975
- c. 1976

2.4 Central and State Labour Ministry

Under the Constitution of India, Labour is a subject in the concurrent list where both the Central and State Governments are competent to enact legislations. As a result , a large number of labour laws have been enacted catering to different aspects of labour namely, occupational health, safety, employment, training of apprentices, fixation, review and revision of minimum wages, mode of payment of wages, payment of compensation to workmen who suffer injuries as a result of accidents or causing death or disablement, bonded labour, contract labour, women labour and child labour, resolution and adjudication of industrial disputes, provision of social security such as provident fund, employees' state insurance, gratuity, provision for payment of bonus, regulating the working conditions of certain specific categories of workmen such as plantation labour, beedi workers etc. This is how we have a large number of labour legislations, which can be categorized as follows:

a. Labour laws enacted by the Central Government, where the Central Government has the sole responsibility for enforcement

1. The Employees' State Insurance Act, 1948.
2. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
3. The Dock Workers (Safety, Health and Welfare) Act, 1986.
4. The Mines Act, 1952.

5. The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare (Cess) Act, 1976.
6. The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Act, 1976.
7. The Mica Mines Labour Welfare Fund Act, 1946.
8. The Beedi Workers Welfare Cess Act, 1976.
9. The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972.
10. The Cine Workers Welfare (Cess) Act, 1981.
11. The Beedi Workers Welfare Fund Act, 1976.
12. The Cine Workers Welfare Fund Act, 1981.

b. Labour laws enacted by Central Government and enforced both by Central and State Governments

1. The Child Labour (Prohibition and Regulation) Act, 1986.
2. The Building and Other Construction Workers" (Regulation of Employment and Conditions of Service) Act, 1996.
3. The Contract Labour (Regulation and Abolition) Act, 1970.
4. The Equal Remuneration Act, 1976.
5. The Industrial Disputes Act, 1947.
6. The Industrial Employment (Standing Orders) Act, 1946.
7. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
8. The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988.
9. The Maternity Benefit Act, 1961.
10. The Minimum Wages Act, 1948.
11. The Payment of Bonus Act, 1965.
12. The Payment of Gratuity Act, 1972.
13. The Payment of Wages Act, 1936.

14. The Cine Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981.
15. The Building and Other Construction Workers Cess Act, 1996
16. The Apprentices Act, 1961.

c. Labour laws enacted by Central Government and enforced by the State Governments

1. The Employers' Liability Act, 1938
2. The Factories Act, 1948
3. The Motor Transport Workers Act, 1961
4. The Personal Injuries (Compensation Insurance) Act, 1963
5. The Personal Injuries (Emergency Provisions) Act, 1962
6. The Plantation Labour Act, 1951
7. The Sales Promotion Employees (Conditions of Service) Act, 1976
8. The Trade Unions Act, 1926
9. The Weekly Holidays Act, 1942
10. The Working Journalists and Other Newspapers Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955
11. The Workmen's Compensation Act, 1923
12. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
13. The Children (Pledging of Labour) Act 1938
14. The Bonded Labour System (Abolition) Act, 1976
15. The Bidi and Cigar Workers (Conditions of Employment) Act, 1966

d. There are also Labour laws enacted and enforced by the various State Governments, which apply to respective States.

Besides, both Central and State Governments have formulated Rules to facilitate implementation of these laws. The Ministry of Labour and Employment is mandated to create a work environment conducive to achieving a high rate of economic growth with due regard to protecting and

safeguarding the interests of the working class in general and those of the vulnerable sections of the society in particular. The Ministry has been performing its assigned duties through the above stated legislations with the help and cooperation of State Governments.

Check your progress 3

1. The Employees' State Insurance Act was enacted in India in_____.
a. 1946
b. 1948
c. 1976
2. The Mica Mines Labour Welfare Fund Act was enacted in India in_____.
a. 1946
b. 1945
c. 1949
3. The Bidi Workers Welfare Fund Act was enacted in India in_____.
a. 1976
b. 1945
c. 1956
4. The Equal Remuneration Act was enacted in India in_____.
a. 1976
b. 1975
c. 1985
5. The Apprentices Act was enacted in India in_____.
a. 1971
b. 1961
c. 1956
6. The Weekly Holidays Act was enacted in India in_____.
a. 1942
b. 1947
c. 1945

2.5 Labour Statistics and Intelligence

In these days of information revolution, it is hardly necessary to emphasize the need for collecting statistical information on labour related matters, gathering intelligence and undertaking research on these subjects. Statistics emanate as a by-product of administration of labour laws or are collected directly by sample surveys or census operations.

The information is basically utilized for:

- Framing suitable labour policies.
- Understanding working and living conditions such as safety, health, social security, welfare of labour etc.
- Formulating policies in respect of such target groups as women, child labour and workers in the unorganised sector.
- Monitoring industrial relations and industrial disputes.
- Enforcing labour laws and dealing with difficulties encountered by employers and employees.
- Assessing the nature of employment and unemployment, the skills required for different jobs, gaps in the skills development programs etc.

The Government plays the role of protector, facilitator and regulator in the economic development and in order to play this role effectively, it requires a comprehensive, up-to-date, reliable and authentic database. The collection of statistics is the primary responsibility of the Government and it cannot be delegated to NGOs and private individuals.

The Labour Statistics available today broadly relate to:

1. Labour Force

- Employment and Unemployment.
- Classification by industries.
- Classification by age, sex, education.
- Classification by occupation.
- Classification by status.

2. Family living studies

- Consumer price index centre wise.
- 3. Data on Wages**
- Wage structure and distribution.
 - Minimum wages
 - Average earnings and hours of work
 - Equal remuneration
 - Labour cost
- 4. Industrial Relations**
- Industrial disputes and man-days lost by strikes, lockouts etc.
 - Nature of disputes
 - Region wise, industry wise classification
- 5. Social Security like ESI, PF, bonus, workmen's compensation, gratuity etc.**
- Productivity and productivity indices.
 - Workers in the Rural Area and in the Informal Sector.
 - Bonded Labour.
 - Emigration of Workers.
 - Report on the Working of various Labour Acts every year.
 - Working and Living Conditions of Workers in specific areas or industries.

2.5.1 Agencies for collecting statistics

There are a number of Government agencies, which are engaged in collection, compilation and dissemination of labour statistics in the country. They are as follows:

1. Ministry of Labour and its affiliates:

- Labour Bureau
- Directorate General of Employment and Training
- Directorate General of Mines Safety

- Directorate General of Factory Advisory Services and Central Labour Institute (DGFASLI)
- Employees State Insurance Corporation
- Employees Provident Fund Organisation

2. Agencies other than Ministry of Labour:

- Office of the Registrar General of India
- National Sample Survey Organisation
- Planning Commission
- State Governments

2.5.2 Labour Intelligence

The Labour Intelligence also provides serial statistics on:

- Occupational wage rates in mining, plantation and factory sectors.
- Absenteeism, labour turnover, employment and earnings.

Shortcomings of Labour Statistics

The Labour Statistics as it stands today is not dependable. The industries do not have an obligation to submit the returns prescribed under the law. The collectors of data do not have any obligation to publish the data on time. In some cases, there is a gap of more than 32 months in the publication of the data. Some State Governments have a gap of 3 to 4 years before the data is released. As a result of this poor quality and unreliable frequency of data, policy makers do not find it easy to rely on them or make use of them. Thus, one is left to wonder who benefits from all the effort and expense incurred to keep these surveys going.

Check your progress 4

1. Labour Statistics helps in understanding working and living conditions such as safety, health, social security, welfare of labour etc.
 - a. True
 - b. False

2. The poor quality and unreliable frequency of data, policy makers do not find it easy to rely on them or make use of them.
 - a. True
 - b. False
3. The publication of the data after a gap of 3 to 4 years by some state government often makes the data _____
 - a. easy to accept
 - b. outdated
 - c. none of these

2.6 Price-Index Number

The history of compilation and maintenance of Consumer Price Index Numbers for industrial Workers owes origin to the deteriorating economic condition of the workers on account of abnormal rise in prices following the First World War. As a result of sharp rise in prices and the cost of living, some provincial Governments started conducting Family Budget Enquiries and compilation of Consumer Price Index Numbers for Industrial Workers in the country. However, none of them was entirely satisfactory. In pursuance of the recommendations made by the Rau Court of Enquiry, the job of compilation & maintenance of Consumer Price Index Numbers for Industrial Workers was taken over by the Central Govt. in 1943. However, the compilation of index numbers on uniform and scientific lines was started only after the conduct of the Family Living Surveys by the Labour Bureau during 1958-59 at 50 important industrial centres, spread over length and breadth of the country, under the guidance of the Technical Advisory Committee on Cost of Living Index Numbers. Since then the compilation and maintenance of Consumer Price Index Numbers are being done by the Labour Bureau on a continuous basis. The current series (1982=100) had replaced the old (1960=100) series in December 1988 with release of October 1988 index.

Labour Bureau is the competent authority under the Minimum Wages Act, 1948 to ascertain, from time to time, the Consumer Price Index Numbers applicable to employees employed in the Scheduled employments in respect of all the undertakings in the Central Sphere and the Union Territories (Notification No. LWI-24(3) dated 24th October 1949). With a view to improving the quality and

uniformity of the labour statistics collected by various States and Central authorities, the Bureau maintains liaison with the concerned agencies.

Scope and Coverage

Under the 1960 series of Consumer Price index Numbers for Industrial Workers, the coverage of Industrial Workers was limited to 3 sectors i.e. factories, mines and plantations. The coverage of the Industrial Workers for 1982 series for the conduct of Family Living Surveys was extended to seven sectors by including four more sectors viz. i) railways, ii) public motor transport undertakings, iii) electricity generation and distribution establishments and iv) ports and docks. A Working Class Family is defined as one, where one of the members worked as a manual worker in any of the seven sectors listed above and which derived half or more of its income through manual work.

Under the 1982=100 series, the Labour Bureau has been compiling Consumer Price Index Numbers for Industrial Workers for 70 selected centres and an all-India index on the basis of 70 constituent centres. These 70 centres were selected on the basis of their industrial importance in the country and distributed among different States in proportion to the industrial employment in the State subject to a maximum allotment of five centres in a state in a sector. In addition to 70 centres, Labour Bureau, on the request of the State Governments, is also compiling Consumer Price Index Numbers in respect of six additional centres to cater to their requirements.

Weighting Diagram

The Weighting Diagram for the Index was derived by conducting Working Class Family Income and Expenditure Survey during 1981-82 in all 76 selected centres. The survey was conducted over a period of 12 months in each selected centre during 1981-82 when an equal number of a moving sample of families was canvassed every month. The data collected through this survey was thoroughly scrutinised and inconsistencies, if any, were got rectified before getting it tabulated for the purpose of derivation of Weighting Diagram.

As it was not feasible to monitor the price behaviour of all the items on which index population reported consumption expenditure, (nor is it necessary), a number of representative items were retained in the index basket, which were manageable over time. For this purpose, the first step was to form group of items, which meet similar or related demands of the consumers.

The total expenditure on consumption items was divided into 6 main groups viz.

- Food
- Pan, Supari, Tobacco & Intoxicant
- Fuel & Light
- Housing
- Clothing, Bedding & Footwear
- Miscellaneous

In the first and the last group, a few well-defined sub-groups have also been formed.

Weights, which are meant to indicate relative importance attached to different items of goods and services consumed by the index population, are determined on the basis of expenditure made by the targeted industrial workers on these goods and services. However, the expenditures on non-consumption items are excluded from the weighting diagram.

The items directly retained in the basket were those, which had a) at least one per cent expenditure in the Group/Sub-Group; (b) significant number of families reporting expenditure; and c) could be priced satisfactorily over the life of the series. The remaining items were imputed to related items or to a group of items depending upon their similarity of want satisfying quality, manufacturing process or price behaviour.. The percentage expenditure on each item in the sub-group/group represents its weight. Similarly, the percentage expenditure on sub-group/group in the Group/Total consumption expenditure represents their weight.

Retail Prices

The retail prices used in the index calculation are those actually charged from the consumers for cash transaction and are inclusive of all taxes which are payable by him. However, rebates and discounts, given to consumers in general are taken into account. Thus, the retail price may be defined as money cost to the consumer of a specified unit of sale, which is inclusive of all taxes but excludes all rebates, discounts etc. The retail prices of price sensitive items such as cereals, pulses, vegetables, oils & fats etc. are collected on a weekly basis. Similarly, the prices of some other items, like cinema, furniture, utensils, clothing, household appliances etc., which are known to vary less frequently are collected on monthly basis. However, the price data relating to house rent, school/college fees and

books etc. are collected on six-monthly/yearly basis as these items do not show much change in their price behaviour.

The retail prices of the selected items are collected on the fixed date/day by part-time Price Collectors, who are generally the employees of the State Governments working with either the Directorate of Economics and Statistics or Labour Department and sent to the Headquarter for further processing. While collecting prices, various elements such as fixity of markets, shops, specifications, unit of purchase, day and time of price quotations etc. are maintained for the purpose of comparability. These price data, after cleaning it for conceptual/factual error at various levels, are utilised for the compilation of index numbers.

Housing Index

For compiling housing index, the rent paid for rented, self-owned and rent free houses are taken into account. The rental data for self-owned houses are collected from the comparable rented dwellings of the locality or within the vicinity of the locality. However, for rent free houses, rent index is taken as 100. Thus, for compiling the housing group index, three separate indices are compiled for rent free, rented and self-owned houses and these indices are combined by using their respective weights, which are proportion of families residing in these three categories of houses, to work out the weighted housing index for the centre. Housing index is compiled by following Chain Base method, once in every six months viz., January and July and kept constant for the subsequent five months. Rental data, for utilising in the compilation of housing index, are collected by the field officials of the Labour Bureau, twice a year, from a sample of dwellings through a half yearly Repeat House Rent Survey.

Compilation of Index

The index is compiled by using Laspeyres modified Index formula, as given below:-

$$I_n = \frac{\sum P_n Q_o}{\sum P_o Q_o} \times 100$$

$$I_n = \frac{\sum \left(\frac{P_n}{P_o} \times 100 \right) p_n Q_o}{\sum p_o Q_o}$$

Where:

In: Index number for current period

Pn: Price for current period

Po: Price for base period

Qo: Quantity for base period

The index of each selected centre is compiled in several stages i.e. Sub-group, Group and General level every month.

In the first stage price, quotations of an item in all outlets of all the markets in a month are averaged for a centre. On the basis of this average price, a price relative (over base period price), or item index as known in some of the countries, is worked out. However, in case of certain items which are supplied through subsidised outlets (fair price shops) first the weighted average price of open market and fair price outlets in each selected market of a centre is worked out (weight being availability ratio in the respective outlets in that month). In the next stage, a simple average of these market prices is worked out to arrive at the centre price. Based on this average centre price, a price relative is worked out. The sub-group or group index is worked out as a weighted average of an item/sub-group index respectively. The general index of a centre is worked out as a weighted average of group indices.

An all-India index that is weighted average of 70 centre indices is also worked out every month. The weight assigned to each centre is the proportion of the total consumption expenditure of estimated number of families allocated to a centre in the State to sum total of all such expenditure over all centres in the country.

Centre indices and all-India index are compiled and released regularly on last working day of the month after a gap of one month. These index numbers are disseminated to various users through Press release, Monthly Index Letters, Indian Labour Journal and Labour Bureau

Check your progress 5

1. Compilation and maintenance of Consumer Price Index Numbers for Industrial Workers was taken over by the Central Govt. In _____.
 - a. 1945
 - b. 1943
 - c. 1947

2. Compilation and maintenance of Consumer Price Index Numbers are being done by the _____.
- a. Employers
b. Employers
c. Labour Bureau
3. A Working Class Family is defined as one, where one of the members worked as a manual worker in any of the seven sectors listed.
- a. True
b. False
4. The _____ used evaluating the consumer price index may be defined as money cost to the consumer of a specified unit of sale, which is inclusive of all taxes but excludes all rebates, discounts etc.
- a. Cost price
b. Retail price
c. None of these

2.7 Let Us Sum Up

To conclude, India has only endorsed four of the core ILO labour conventions. In view of severe problems of child labour and forced labour, as well as restrictions on the trade union rights of workers and regular gender discrimination in employment, strong-minded methods are required to fulfil with the obligations India has accepted at Singapore, Geneva and Doha in the WTO Ministerial Declarations over 1996-2001 and in the ILO Declaration on Fundamental Principles and Rights at Work adopted in June 1998. The Factories Act regulates working conditions in manufacturing factories employing more than 10 employees or non-mechanized factories employing more than twenty, prescribing standards for working conditions, working hours, handling and storage of materials, etc. Other laws regulate employment of women and children and prohibit bonded labour. It's seen that the politicians have often been union leaders and some believe that strikes and other labour protests are called primarily according to the interests of political parties rather than to promote the interests of the work force. The Indian labour consists of multiple trade unions and Inter-union rivalry. The Statutory provisions for recognising unions as bargaining agents are absent and it's believed that the institution of collective bargaining is

still in its preliminary and organisational stage. But on the other side the workers in the organised sector have protected jobs and price-adjusted salaries .Moreover and protected against loss of income due to illness, disability, old age, death etc. We all know that it's an era of information revolution, and so the need for collecting statistical information on labour related matters, gathering intelligence and undertaking research on these subjects is mandatory. Statistics originate as a by-product of management of labour laws or are collected directly by sample surveys or census operations.

2.8 Answers for Check Your Progress

Check your progress 1

Answers: (1-a), (2-c), (3-b)

Check your progress 2

Answers: (1-b), (2-a), (3-b), (4-a), (5-b), (6-c)

Check your progress 3

Answers: (1-b), (2-a), (3-a), (4-a), (5-b), (6-a)

Check your progress 4

Answers: (1-a), (2-a), (3-b)

Check your progress 5

Answers: (1-b), (2-c), (3-a), (4-b)

2.9 Glossary

1. **Imperfect** - inadequate
2. **Vendor** - seller
3. **Enact** - pass
4. **Incumbent** - present
5. **Authentic** - real

6. **Deteriorating** - failing
7. **Feasible** - possible

2.10 Assignment

Conduct a study of the current conditions of workers with regards to wages and social security benefits in the Informal sector in India.

2.11 Activities

Conduct a web search and study the latest consumer price index from any of the related government of India websites.

2.12 Case Study

The Equal Remuneration Act, 1976 can be considered as one of the simplest labour laws which are easy to comprehend and execute.

It was a familiar practice in the past, mostly in production houses and construction sectors to give different wages for male and women workers doing identical works. In India, this labour law helps to eradicate such discrimination.

1. Reading the above text, write a note on „The Equal Remuneration Act, 1976“ and its importance in the women employment sector of India.

2.13 Further Readings

1. Dynamics of Industrial Relations in India, Mamoria C. B. and Mamoria, Himalaya Publishing House, 1992.
2. Labour and Industrial Laws, P.K. Padhi, Prentice Hall of India, 2007.
3. Labour Economics-Principles, Problems and Practices, Singh, Jwitesh Kumar, Deep & Deep Publications Pvt. Ltd., 1998.

Block Summary

This block gave an idea as how the International Labour Organisation influenced the setting up of standards of the Labour Laws. The block also provided the information about the effect of implementation of the principles of Labour Legislation in India. The employment conditions prevailing in India, was also discussed in detail. The details of Social Security and Welfare in India and efforts of proper Labour Administration by the Central and State Labour Ministry is also provided in this block. The block also helped to gain information of the topics such as Wages and Disputes, Labour Statistics and Intelligence and Price-Index Number.

It has seen that the labour movement has contributed a lot for the enactment of laws for protecting labour rights. It can be considered as the fortune of the Indian workers that India has a number of labour laws addressing various issues such as resolution of industrial disputes, working conditions, labour compensation, insurance, child labour, equal remuneration etc. Moreover labour is a subject in the concurrent list of the Indian Constitution and is therefore in the jurisdiction of both central and state governments. It's seen that many states in India have such as Kerala and Maharashtra, have introduced programmes of poverty alleviation to assist the workers concerned, particularly in the agricultural sector. It is seen that despite the existence of the Equal Remuneration Act 1976, it has not been maintained and virtually nowhere equal wages are paid to men and women for the same work. The Child Labour (Prohibition and Regulation) Act 1986 prohibits employment of children in some occupations and processes considered hazardous. The National Child Labour Project (NCLP) that rehabilitate children in hazardous work through education and small family stipends. Governmental efforts to reduce child labour have yet to have much impact and must be considered insufficient to deal with the degree of the problem. The sharp rise in prices and the cost of living, some of the state Governments started to carry out family budget enquiries and collection of Consumer Price Index Numbers for Industrial Workers in the country. The labour bureau is the competent authority under the Minimum Wages Act, 1948 to ascertain, from time to time, the Consumer Price Index Numbers related to employees employed in the Scheduled employments in respect of all the undertakings in the Central and Union Territories.

Block Assignment

Short Answer Questions

1. Child labour
2. Equal remuneration
3. Labour Administration
4. Standards of labour laws
5. Consumer Price Index numbers
6. Central Labour Ministry
7. Labour Statistics

Long Answer Questions

1. Explain the Internationally recognised core labour standards in India in recent times. Give appropriate examples?
2. Critically evaluate the Social Security and welfare schemes for workers in India?
3. State Laws related to specific industries?
4. What was the impact of the ILO standards on Labour laws in India?
5. Comment on working conditions of Women in the manufacturing sector. Give suitable examples.
6. Critically evaluate the functions of the State Labour Ministry.

Labour Legislation in India

