LABOUR AND INDUSTRIAL LAWS

Importance & necessity of Labour laws:

Employment of workers is increasing with growing industrialisation. The workers want more facilities and higher wages. But the employer wants to maximise the profit by exploiting the labour.

Due to limited resources the labour class is subjected to low wages, poor working conditions, health hazards, etc.

The government realised that the ~~read~~ the workers are the real productive hands and must be protected from the exploitation of the employers.

The government has inacted many laws to provide social and economic justice to workers. These are called labour laws or industrial laws.

Labour laws provide the guidelines to the employers for the welfare of the workers. Government has set up independent departments in every state to ensure proper implementation of these laws.

These departments are called inspectorate of factories which make surprise checks on the factories to see whether the labour laws are being properly followed or not.

Necessity:

Labour laws are essential for the existence of labour. The need of labour laws in an industry is due to the following reasons:

(1). To improve industrial relations.
(2). To provide fair wages and incentives to the workers.
(3). To minimise unrest among the workers.
(4). To provide compensation to workers, victims of accidents.
(5). To reduce and settle conflicts, strikes, etc.
(6). To provide job security to the workers.
(7). To improve environmental conditions in the factory.
(8). To fix hours of work, rest, pauses, etc.

Types of labour laws:

Following are the various industrial laws and acts enacted by the Indian governmet:

1. Laws connected with working conditions in factories:
   - (a). Factories Act, 1948.
   - (b). Industrial Employment Act, 1946.
   - (c). The Mines Act, 1952.
   - (d). Indian Merchant Shipping Act, 1923.

2. Laws related to specific matters, e.g; wages, welfare, etc:
   - (a). The Payment of Wages Act, 1936.
   - (b). The Minimum Wages Act, 1948.
   - (c). The Workmen Compensation Act, 1923
   - (d). The Employee State Insurance Act, 1948.
   - (e). The Employee Provident Fund Act, 1952

3. Laws related to Workers' association:
   - (a). Trade Union Act, 1926.
   - (b). Industrial Dispute Act, 1947.

4. Laws related to social insurance:
   - (a). The Maternity Benefit Act, 1961.
   - (b). The Workmen compensation Act, 1923.
   - (c). Employee's State Insurance Act, 1948.
   - (d). The payment of Bonus Act, 1965.

The Factories Act, 1948:

The first factory act was passed in 1881 and was modified several times after that. After independence, the government of India passed the factory act 23rd september, 1948 and is called Factory's Act 1948.

This act came into force on 1st April, 1949 and extends to all states of India.

According to this act "factory means a working place under one management where 10 or more persons are normally working with power aid or 20 or more persons are working without power aid.

This act prohibits the employment of children below the age of 14 years.

Necessity:

Before the inactment of Factories act, the employers were free to use the labour in the manner they like. This resulted in injustice to workers like- long working hours, exploitation of women and children of workers, very poor working conditions in the factories, no provision of compensation in case of injuries or accidents in the factory, and many more.

To overcome all these economic, social, physical and mental evils, the Factories act was enacted. It ensures proper working conditions in the factory, provision for working hours, leave, holidays, welfare and safety of the workers.

Salient features

Factories act, 1948 has the following features and provisions:

1. Licensing and registration – chief inspector of factories
2. Health – cleanliness, ventilation, lighting, urinals, etc.
3. Safety – precautions against accidents, fire, etc.
4. Welfare – facilities for washing, sitting, canteens, etc.
5. Hours of work – daily hours, interval, weekly hours, overtime, etc.
6. Leave:– annual leave with wages.
7. Child labour – above 14 years.

Workmen's compensation act, 1923:

The Workmen's compensation act aims at providing payment to certain classes of employees for injury or accidents. This act was passed in 1923 and finally amended in 1959.

The Workmen's compensation act is applicable to workers employed in factories, railways, mines, etc. where occupation is dangerous or considered to be dangerous.

The clerical persons are not covered under this act. The monthly wages of the worker covered under this act should not exceed the prescribed amount.

Necessity:

With the growing industrialisation and increasing numbers of machinery there should be safety provision and financial assistance to the workers.

Considering the comparative poverty of the workers, the financial assistance should be given in case of accidents in the factory. The amount of compensation to be paid depends upon the nature of injury.

Salient features

① Application of Act:

The Workmen's compensation Act is applicable to worker:

(i) who is employed in a factory having 10 ore more workers.
(ii) whose monthly wages does not exceed prescribed limit.
(iii) whose accident occurs during working hours.

② Exceptions:

This Act does not apply to a worker:

(i) whose injury disables him for less than 3 days.
(ii) whose injury occurs under the influence of liquor or drugs.
(iii) whose injury occurs due to disobedience of the rules.
(iv) who has a desease not arising during employment.

③ Rates of compensation:

The following factors determine the amount of the compensation to the worker in case of injury.

(i) the nature of injury.
(ii) monthly wages of the worker.

Minimum Wages Act 1948:

Wages are the most burning issue in industries. It is an important factor affecting the relations between employers and employees.

It is the general tendency of the employers to exploit the workers due to their weak unity and less bargaining power. The result is that the workers are deprived of the basic necessities of life.

In order to protect the workers from exploitation and provide them sufficient wages to fulfill their basic necessities of life, the government enacted the Minimum Wages Act.

Necessity:

It was realised that workers did not get what they deserved. The fruits of their efforts were gained by the employers. This necessitates to protect the working class by legislation by which minimum wages to a worker were enforced.

The following are the reasons which necessitated the enactment of the ~~Workmen Compensation~~ Minimum Wages Act, 1948:

(i) The workers are poorly organised and trade unions are weak.
(ii) The bargaining power of the worker is low.
(iii) To secure the welfare of the workers by fixing the minimum limit of wages.
(iv) To avoid the malpractice in the payment of wages.

Salient features:

- The following are the salient-features of the Act:

(1) Fixation of minimum wages.
(2) Procedure for fixing and revising minimum wages.
(3) Fixing hours for a normal working day.
(4) Remuneration of overtime.
(5) Method of payment.
(6) Deduction.
(7) Maintenance of registers and records.
(8) Inspection.
(9) Penalties.

Employee's Provident Fund Act, 1952:

It is the duty of the society to see that workers who put in their youth in factories during active life must be help economically ~~du~~ after retirement.

One method can be to give pension to such workers as is done in case of most of the government employees. Hower this method cannot succeed in all industries due to many reasons.

The government of India passed an act in 1952 to ensure economic security to the workers after retirement called Employees' Provident Fund Act, 1952.

This Act is applicable to factories and establishments which have been in existence for atleast

(i) 3 years when the number of employees is 50 or more.

(ii) 5 years when the number of employees is from 20 to 50.

Necessity:

This Act was necessitated due to the following reasons:

(i) To provide substitution of pension to non-government employees.

(ii) To Implement such schemes which necessitates compulsory savings for the employees.

(iii) To give incentive to even low income group for saving.

Salient features:

The following are the salient features of the Employees' provident fund Act, 1952:

(1) Contribution to fund

The contribution to the fund is to be made by the employer and employee both.

(2) Protection of fund.

(3) Reduction of wages of employees:

No employer can reduce the wages of the employee due to contribution made by him towards this fund.

(4) Administration of the Act.

The central government may appoint authorities like inspector, provident fund commisioner for its proper administration.

(5) Offences and penalties.