

- [23] *Sharma M.* (2012). Dalits and Indian environmental politics. *Economic and political weekly*, 46-52.
- [24] *Singla R.* (2020) Sustainable Development through Swachh Bharat-Swasth Bharat. at: <https://www.researchgate.net/publication/339816977>
- [25] *Blinow M.* (1986). Scavengers and recycling: A neglected domain of production. *Labour, Capital and Society/Travail, capital et société*, 94-115.
- [26] *Ajit D., Donker H. & Saxena, R.* (2012). Corporate boards in India: blocked by caste?. *Economic and Political Weekly*, 39-43
- [27] *Teltumbde A.* (2014). No Swachh Bharat without the annihilation of caste. *Economic and Political Weekly*, 11-12.
- [28] *Ghose S.* (2003). The Dalit in India. *Social Research: An International Quarterly*, 70(1), 83-109.
- [29] *Judge, P.S.* (2015). Caste hierarchy, dominance, and change in Punjab. *Sociological Bulletin*, 64(1), 55-76.
- [30] *Bongartz P., Vernon N. & Fox, J.* (2016). Sustainable sanitation for all: experiences, challenges, and innovations. *Practical Action. Publishing: Rugby, UK*, 1-28.
- [31] *Mosse D.* (2018). Caste and development: Contemporary perspectives on a structure of discrimination and advantage. *World Development*, 110, 422-436
- [32] *Sikka S.* (2012). Untouchable cultures: memory, power and the construction of Dalit selfhood. *Identities*, 19(1), 43-60.
- [33] *Prashad V.* (1995). Marks of Capital: Colonialism and the Sweepers of Delhi. *International review of social history*, 40(1), 1-30.

IMPACT ON LABOUR LAWS IN INDIA IN THE GLOBALISATION ERA

By

—Dr. T. VIJAYA BHASKARA REDDY,
Principal, Aurora's Legal Sciences Academy
Hyderabad

In the Universe for the wellbeing of Humanity, everybody has to work or do something for their livelihood. The advent of Industrialization that is in the mid of 19th century played vital role in India. In fact, there was significant growth all over the world. As a matter of fact, for any country, it is the economy of the country that decides the growth. Besides social development, Economic development and Industrial development are the important factors. Again this is dependent on educational and technical development. Before independence, India was considered to be an agricultural country, may be due to poor economic conditions or lack of Technical Development. This may be the major reason for the country remained as Agricultural country. Almost post-independence period went on

so. Another noteworthy thing is that British rulers concentrated only on Presidency Towns of Bombay, Madras (Chennai) and Calcutta for their ruling and also business development. During their regime there was some Industrial development, mostly for their own purpose. In the wake of establishment of Industries, for their personal development. There was harassment of workmen, on the pretext of low wages retrenchments, punishments and exploitation of labour. The circumstances prevailing during that time given room for labor Unions, pen down, strike *etc.*, on the part of workmen and lockouts closure of companies on the entrepreneur side thereby there was unrest. In the middle of 19th century, we have got Independence, and we started the country developing by our own plans through Five-

year plans. Importance was given to Industries apart from agricultural development and especially in front of Cottage Industries. The fundamental rights of the Constitution provided the right to employment, equality before law and equal justice, consequently one after another and also Labor Laws were passed in the following order apart from State Acts a total of 29 Acts were passed one after another depending on the industry and its legal necessities.

- (1) Trade Union Act 1926 (2) Industrial Disputes Act, 1947 (3) Minimum Wages Act, 1948 (4) Payment of Wages Act, 1948 (5) Factories Act, 1926 (6) Mines Act, 1948 (7) Payment of Bonus Act, 1948 (8) Employees State Insurance Act, 1958 (9) Equal Remuneration Act, 1976 (10) Maternity Benefit Act, 2017 (11) Gratuity Act, 1956 (12) Provident Fund Act, 1952

In the scenario of Globalization, the impact on life style of the citizens is much more on all spheres of life – like socio, economic, family in all the activities form don to desk. Since Labour law is like mixture of milk and water in the lives of mankind, there is no exception for the impact. Like the saying necessity is the mother of invention, everybody has to work for food, clothing and shelter which are basic needs and without which one cannot carry on life on the globe. In the wake of economic development, business is one of the means for better and comfortable life besides fulfilling the needs of people.

Work is an activity involving mental or physical effort done in order to accomplish a purpose or results. Human being has wants and wants are unlimited. In order that the wants are fulfilled or satisfied, services or production of certain goods are required which are to be produced and provided. In a country like India where the population is around 141.2 crores, basic needs are self-sufficiently met, the goods and services are

to be provided and produced with machines and computers. This production work is to be done by individuals or groups of people by way of establishing industries, firms, companies, partnership firms or sole proprietorship concerns. When two or more people work together there arises different thoughts, tastes, needs, workmanship, different knowledge, technology *etc.* To continue all those things to produce goods, differences of opinion are to be eliminated or atleast managed by forming a system, rules of conduct or law.

Traditionally, we have certain age-old systems, customs and practices both in the utilization of goods and evolved *etc.* All these have paved way for a different style of life compared to other western countries. However, practices resembling, bhakti, epics like Ramayana, Mahabharat, Bhagavadgita, Manu sutras, koutilkya sutras Rajya palana, kingdom, there is some impact on the life style of Indians because of French people ruled India in the 18th century and early 19th century. In the socio-economic development due to Establishment of Companies by Dutch people. There was labor moment because of low wages, more working hours, exploitation of labor for optimum utilization and export of Indian resources like Raw materials finished goods availability of costly agricultural products like Cotton, Jute, Tobacco *etc.*

As of now there are 59 crores of people working in unorganized sector in India, it works out to 90% of the total workmen. The second National Labour Commission had submitted report in 2002 which said that there were multiple Labour Laws and therefore, recommended that the Central Level Labour codes should be codified into 4 to 5. The Central Government concept, particularly the *Modiji's* concepts of SABKA SAT SAB KE VIKAS, this was a positive slogan and directions for the Labour reforms by the Government Ministry of

Labour and Employment Ministry Organized tripartite discussions in which all the Central Trade Unions Employers' Associations and representatives of State Government were invited for opinions on the reforms. The Parliamentary standing committee gave its report of recommendations to Government. There in the reforms the workers were called as NATIONAL BUILDERS. One after one there were changes in the worker's welfare measures keeping in view the A BIRD'S EYE VIEW OF LABOUR LAW REFORMS.

The Central Government proposes to replace 29 existing labour laws with four Codes. The objective is to simplify and modernise labour regulation. The major challenge in labour reforms is to facilitate employment growth while protecting workers' rights. Key debates relate to the coverage of small firms, deciding thresholds for prior permission for retrenchment, strengthening labour enforcement, allowing flexible forms of labour, and promoting collective bargaining.

Further, with the passage of time, labour laws need an overhaul to ensure simplification and updating, alongwith provisions which can capture the needs of emerging forms of labour (*e.g.*, gig work). This note was discussed these challenges and approaches taken by the four Codes.

Coverage: Most labour laws apply to establishments over a certain size (typically 10 or above). Size-based thresholds may help firms in reducing compliance burden. However, one could argue that basic protections related to wages, social security, and working conditions should apply to all establishments. Certain Codes retain such size-based thresholds.

Retrenchment: Establishments hiring 100 or more workers need Government permission for closure, layoffs or retrenchments. It has been argued that this has created an exit

barrier for firms and affected their ability to adjust workforce to production demands. The Industrial Relations Code raises this to 300, and allows the Government to further increase this limit by notification.

Labour enforcement: Multiplicity of labour laws has resulted in distinct compliances, increasing the compliance burden on firms. On the other hand, the labour enforcement machinery has been ineffective because of poor enforcement, inadequate penalties and rent-seeking behaviour of Inspectors. The Codes address some of these aspects.

Contract labour: Labour compliances and economic considerations have resulted in increased use of contract labour. However, contract labour has been denied basic protections such as assured wages. The Codes do not address these concerns fully. However, the Industrial Relations Code introduces a new form of short-term labour – fixed term employment.

Trade Unions: There are several registered trade unions but no criteria to 'recognise' unions which can formally negotiate with employers. The Industrial Relations Code creates provisions for recognition of unions.

Simplification and updating: The Codes simplify labour laws to a large extent but fall short in some respects. Further, the Code on Social Security creates enabling provisions to notify schemes for 'gig' and 'platform' workers; however, there is a lack of clarity in these definitions.

There are certain amendments in EPF laws which came into effect on 01.09.2014. (1) Those employees who were earlier drawing a salary exceeding Rs.6,500/- and not contributing to the Provident Fund shall have to be enrolled under the EPF effective from 01.09.2014 and their contribution limit is extended to Rs.15,000/-. This facilitated them to get some more benefit of pension at their retirement *i.e.*, after attaining the age

of 58 years. But one thing is that in respect of higher opted employees, the benefit of return on capital has been withdrawn. In fact, in the previous scheme the employee used to get benefit @ Rs.100/- per each rupee of his higher contribution in addition to getting higher pension. Moreover earlier to 1.9.2014 the retired employees were being paid pension based on last salary. This has been increased to 60 months of average. Thereby the retired employee/workmen were at loss though he contributed keeping in view his higher wage and higher pension. The bottleneck in this act is that it is to be reviewed and enhanced once in every 10 years. Though the Act came into effect from 1995, it has not been reviewed even now. Which requires review in all the above aspects.

Delegated Legislation: The Codes leave several key aspects, such as the applicability of social security schemes, and health and safety standards, to rule-making. The question is whether these questions should be determined by the Legislature or be delegated to the Government. Definitely, these to be redressed by amended labour codes only. The Labour and Labour Laws are closely related to Society, Economy, Technology, and Industrialization prevailing in the State. Thereby social dimensions of globalization have close relation with the impact on Labour Law. For example, these are also to be taken into account while amendments are taking place.

1. Income disparities and in-equality in status of living of individual.
2. Decrease in skilled Labour.
3. Development in Education, Trade Technology, competition, investment and capital.
4. Direct foreign investment.
5. Increase in innovation.
6. National serenity.
7. Production, resource utilization, market development.

8. Sharing of information through internet, WhatsApp and social media.
9. Job insecurity, Currency fluctuations and price instability.
10. Price instability will have special impact on Labour cost of Labour and availability.
11. There are several other impacts of social dimension on globalization such as family, tradition, transformation of ideas, bicultural identity *etc.*
12. All the above will have impact on Labour working in Industries causing absence to duties, unequal wages, un-matched technical knowledge, Innovative skills.

All these will have direct impact on labour law because of increased integration of labour markets and wage gaps. The product increases will have impact on wages since those who have technical knowledge can adduce more production and other cannot. Thereby there will be wage disparities. However, the time spent on work will be same by the workmen who lacks technical knowledge. The traditional education system will not match the working knowledge and the law. It required strengthening of local law in comparison with international law since foreign companies are established.

There are critics on New Labour Codes. The working class is forced to by its miserable financial conditions to work on whatever exploitative terms an employer want to employ its members. Trade Unions allege that the rules will give sweeping powers and authority to employers against the work force. They would put the workers at mercy of their employers and working conditions will further be deteriorated. One of the examples is, in Uttar Pradesh the workers are against the amendment with regard to enhancement in working hours from 8 hours to 12 hours per day. There were agitations against this amendment and

ultimately the Uttar Pradesh Government on the intervention of High Court, which after being convinced has withdrawn the 12 hours working and brought to 8 hours per day.

The Labour Codes also provide employers with flexibility to hire and fire at their will. Such in-security will lead to even more fluctuations in employment rates than what is in existence now. The Trade Unions are of the opinion that surely there will be increase in unemployment. The Unions also expressed their view not to take hasty steps for implementation of amended laws. It is desirable that 2022 amendments and synchronizing all the 29 Acts into four Labour Codes are to be re-examined in relation to the existing socio-economic conditions prevailing particularly the establishment of foreign Companies and import of Foreign Labour conditions together with Fundamental Right as enshrined in the Constitution and other relevant laws without leaving any of the present Labour Acts. Even if they are combined into as Codes. Any amendment should be judicious without harming the rights of the Labour. The Laws should be as flexible as possible so that importance is to be given in the interest of Labour/employees. However, the interest of the employer and development of Industries also should be taken in for consideration.

It is also desirable that for this purpose, an expert committee consisting of legal experts, economic, socio experts, Industrialists, Trade Union experts (Leaders) be formed to meet the ends of justice. Pension is one more important and burning subject now a days. There is no specific and universal Pension Law for the wellbeing of mankind who retired after working for a lengthy period of 30-40 years. Neither the Central Government Pension, nor the various State Governments pension

systems are matching with the Labour or un-organized Industrial workmen. There is very much gap and it is un-equal. It is very much impediment that any Pension system should enable a pensioner with too high amount or too low amount. The present PF pension or CPF are unmasking. As the living conditions of individual after retirement warrant life with spouse, fulfill bare needs of food, shelter, Medicare without giving room for dependence on any individual so that they lead a happy and peaceful life after retirement. Peaceful living is more and more important so that it should not affect the pensioner's physiology and health. At the age of 58 years and above their right to safe living should be safeguarded.

For this purpose, a detailed study should be undertaken and by and large experts should sit together and if necessary, in the monthly salary some quantum of amount should be kept aside as in the case of Gratuity fund (what corporate companies are doing within the CTC) and the interest on such amount should be paid to the employee after retirement and to the spouse after death of employee. However, the total such amount so accumulated out of salary recovery should be paid to legal heirs of the deceased so that the children also will have some belief that their parents earned and kept for them and for Grand Children and will look into interest of the parent's.

India is a developing country and major economic development depends on Industrialization. Industry is nothing but a pool of skilled, un-skilled, Technical, non-technical and experienced professionals. It is very much essential that the interest of the workmen of all fronts is to be protected which ultimately enhances the economy of the country without giving room for any litigation to the small labour employee as it is costly and time consuming.