

“Impact of Globalization on Labour Laws and Labour Welfare in India” [NWIMSR-14]

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Abstract:

Globalization has opened-up broader communication lines and attracted multinational companies into India. This implicit more opportunities for workforce in India. It is also apprehended that through increase employment opportunities, even unorganized sector would be a beneficiary. However this entire process of globalization may pose risks to the vulnerable and disadvantaged section of the society. So as to overcome such dangers, businesses will have to adopt innovative human resource management strategies to provide human dignity to their employees. In India, besides having constitutional and statutory safeguards, substantial section of workforce, especially women, child, migrant and agricultural labours, constituting unorganized sector are not adequately protected. This paper aims to discuss the impact of globalization on labour force in India, more particularly in unorganized sector and suggests certain strategies to improve the conditions of labour force so as to enable them to become not only the part of mainstream of society but to utilize their potential to argument the productivity of nation and allow every individual labour to grow as per his / her potential to live decent life in the era of globalization.

Key Words: *Globalization, Multinational Companies, Socio-Economic Justice, Industrial Society, Labour Welfare Measures, Conditions of Labour, Unorganized Sector, Industrial Relations, Socio-Economic Balance, Industrial Peace and Harmony, Construction Workers.*

Introduction:

Globalization can generally be defined as the integration of the world economics by removing barriers to trade and encouraging the free flow of foreign investment, private portfolio capital and labour across national boundaries. It has opened broader communication lines and attracted more companies as well as different organization into India.

It assumes availing of more employment opportunities for both men and women workers in India. However, it would be challenging task for the companies to cope-up with existing labour laws and ensure activities promoting labour welfare to suite the emerging needs of contemporary labour force. Due to cut-throat competition in the market exploitation of labours is likely to increase. In this context so as to keep morale of the workforce high, various welfare measures to protect their interest are necessary as an important strategy. The aim or objective of welfare activities is partly humanitarian to enable workers to enjoy a fuller and richer life and partly economic to improve the efficiency of the workers andalso partly civic to develop among them a sense of responsibility and dignity and thus make them worthy citizens of the nation.¹

Labour welfare measures are efforts towards relieving the industrial worker of his worries and making him happy.² Industrial labour is considered as underprivileged section of the society, lacking any bargaining power individually, hence prone to exploitation. Adverse and unhealthy working environment is unfortunately inevitable in India and hence need of protective devices and compulsory benefits to workers are emphasized. The term labour welfare may include not only the minimum standard of hygiene and safety laid down in general labour laws but also such aspects of working life as social insurance schemes, measures for protection of women and young workers, limitations of hours of work, paid vacations etc.³

Scope of labour laws and labour welfare:

Labour Laws in India have been enacted keeping in view the need for economic and industrial development of a country. Improvement of physical working conditions, establishment of industrial peace and harmony, provision of machineries for settlement of industrial disputes, ensuring workers participation in management, prohibition of unfair labour practices, restrictions on strikes and lock-outs, provision of social security benefits and welfare facilities, regulation of working hours have substantial bearing on the pace and extent of economic development. These aspects have been covered under various labour laws of India.

Labour welfare activities and benefits are not restricted to worker and workplace but they are also extended to workers' families. Labour welfare may be considered as "efforts to make life worth living for workmen".⁴

According to the Labour Investigation Committee (1944-46), labour welfare activities include anything done for intellectual, physical, moral and economic betterment of the workers, whether by employees, by government or by other agencies, over and above what is laid down by law or what is normally expected or part of the contractual benefits for which the workers may have bargained".⁵ International Labour Organization includes under the term labour welfare "such services, facilities and amenities which may be established in the vicinity of undertaking to enable the persons employed therein to perform their work in healthy and congenial surroundings and to provide them with amenities conducive to good health and good morals".⁶ It means, the concept of labour welfare is dynamic and also relative.

Historical review reflects that the need for labour welfare was felt by the Royal Commission on Labour in 1931. The Indian National Congress stressed that the organization of economic life in the country must conform to the principles of justice, Art. 38, 39, 41, 42, 43 of the Indian constitution also emphasized the need of the labour welfare. The planning commissions have also realized the importance of labour welfare and made provision for improvement of working conditions of labour by allocating funds for the same.

Labour Welfare measures in India:

Prior to independence various statutory enactments highlighted this issue. The Indian Factories Act, 1881 prohibited exploitation of child labour up to some extent. Somehow this legislation made it clear that government is empowered to protect the interest of workers through appropriate statutes. Thereafter series of labour legislations tried to safeguard the interest of the workers. Through the Factories (Amendment) Act, 1881, the lower and upper age limit for the children were raised to 9 and 14 respectively and their hours of work were limited to 7 and between 5.00am and 8.00pm. It also provided protection to women workers and for better ventilation, cleanliness and prevention of overcrowd at the work place etc. The Indian Factories Act, 1911, 1934, 1948 and subsequent amendments include the provisions to protect health, welfare and safety of the workers.

Series of five years plans paid considerable attention to promote the labour welfare and tried to create healthy relations between employers and employees. Various legislations such as Mines Act, 1952, The Employees' Provident Fund Act, 1952, The Plantation Labour Act, 1951, The Bombay Housing Board Act, 1948, Assam Tea Plantations Employees' Welfare Fund Act, 1959, Maternity Benefit Act, 1961, Apprentice Act, 1961, Iron- Ore Mines Labour Welfare Cess, 1961, The Payment of Bonus Act, 1965, The Contract Labour (Regulation and Abolition) Act, 1970, The Payment of Gratuity Act, 1972, The Employees' Family Pension Scheme, 1971, The Employees' State Insurance Act, 1948, The Limestone and Dolomite Mines Labour Welfare fund Act, 1973, The Beedi and Sigar Workers' (conditions of employment) Act, 1966, The Child Labour (Prohibition and Regulation) Act, 1986, Merchant Shipping Act, 1958, Motor Transport Workers Act, 1961, The Automatic Energy Act, 1962 etc. Equal Remuneration Act, 1976 were passed to protect working labour class in general and also women and child workers in particular. All these legislations, one or the other way, tried to regulate working conditions and provide suitable healthy

environment at the work place and also tried to provide social security in case of non-employment or retirement etc. Through these legislations, government took proactive step and compelled employers to provide various welfare safeguards to the working community.

Besides these legislative attempts on the part of government, the mandatory labour welfare measures were moderately taken care of in the organized sector. Large number of workers from unorganized sector could not avail the benefits of such statutory labour welfare safeguards for the betterment of their lives. Besides these statutory labour welfare measures, certain proactive employers have adopted some measures on voluntary basis without having any statutory obligation to do so. Certain welfare measures are also undertaken jointly by the management and the workers by cooperating each other's. Recently in India, various non-governmental organizations, women's Self Help Groups are instrumental in initiating labour welfare activities even in unorganized sectors.

However, considering the current reality and emerging trends in global management practices, these efforts are required to be channelized with deliberate planning and proper implementation of conscious execution of strategy in this regards. It is the need of the day to consider welfare work as a joint responsibility of the government, employers, workers unions and NGO's.

Impact of globalization on unorganized sector:

In the era of globalization, it became a matter of concern to have industrial harmony and socio-economic balance in the society especially in the developing country like India. While reviewing Amartya Sen's book on 'the argumentative Indian', Namita Arora quotes globalization as a "one sided movement that simply reflects and asymmetry of power which needs to be resisted." "Global economic interaction brings general benefits but they can also create problems for many, because of in-adequacies of global arrangements as well as limitations of appropriate domestic policies". By this he (Amartya Sen) means, globalization may pose risks to the vulnerable and disadvantaged sections of the society.⁷ In this regard, the fact that, workers in the unorganized sector, constituting 90% of the total working population is the matter of concern. Improving the quality of the working life of the workers including women and child workers is one of the great challenges. In order to ensure to workers in the unorganized sector, inter-alia, includes weavers, handloom workers, fisher men and fisher women, toddy tappers, leather workers, plantation workers, beedi workers. The Unorganized Workers' Social Security Act, 2008' has been enacted. As per the provisions of the Act, a National Social Security Board has been constituted for recommending formulation of social security schemes viz. Life and disability cover, health and maternity benefits, old age protection and any other benefit as may be determined by the government for unorganized workers. The 'Rashtriya Swasthya Bima Yojana' (RSBY) was formally launched on 1/10/2007 to provide 'smart card base cash less health insurance' to BPL families in the unorganized sector.⁸ No doubt the protection to Mathadi Workers Board in Maharashtra and Jathu Hamal Boards in Andhra Pradesh are certain good models to adopt in other states for such unorganized sector. Considering such issues National Commission on Labour 2002 has suggested an Umbrella Legislation for ensuring a minimum level of protection to the workers in the unorganized sector. As per the 1991 census about 27 million workers are in the organized sector and 259 million are in the unorganized sector. The organized sector accounts for nearly 9.4% of total workforce whereas unorganized labour accounts for 9.0%. As per the survey carried out by National Sample Survey Organization in the year 2009-10, the total employment, in both organized and unorganized sector in the country was of the order of 46.5 crores comprising of around 2.8 crores in the organised sector and the balance 43.7 crores worker in the unorganized sector. Out of 43.7 crores in the unorganized sector, there are 24.6 crores workers employed in agricultural sector, about 4.4 crores in construction works and remaining in manufacturing and service⁹. It is pertinent to note that, substantial employment growth is taking place in the small and unorganized sector. Unorganized labour exist mainly in the following kinds of industries a) Agriculture b) Construction, c) Tiny Manufacturing industries d) Trade, Transport, financial and personal services.¹⁰ Most of the labour laws are not adequate to give protection or welfare for the vast

majority of workers in the unorganized sector. Supreme Court of India has played a key role in protecting and promoting the basic human rights of the unorganized workers. In cases like *Maneka Gandhiv.Union of India* (AIR 1978 SC 597) where right to live with human dignity was upheld and in *Peoples Union for Democratic Rights v. Union of India* (AIR 1982, SC 1473) Supreme Court held that nonpayment of minimum wages to the workers employee in various Asiad projects in Delhi was violation of article 21 of the constitution which talks about right to live. Hence it is necessary to formulate effective policy for the welfare and working and living conditions of an unorganizedsector not in the rural area but also in the urban areas.

Globalization and women workers:

As per the 1991 census, the total work force in India is about 314million out of which women constitute 90 million and men 224 million. The male and female workers participation rate is 51.56% and 22.73% respectively. Majority of the women workers are employed in the rural areas. Most of them are employed in agriculture. There is concentration of women at the lower of employment and mainly in unskilled jobs¹¹.The women workers get discriminatory treatment and are exploited by giving lower wages than their male counterparts. It is necessary to give more protection to female workers in their working environment. Even today, majority of women workers are without any job security and social security. The globalization has made many international corporations reaches by the billions at the expense of women who are suffering enormously to this expansion of corporate empires. Women workers are force to work are twelve hours while the local governments ignore this open flouting of the labour laws¹².

The employment opportunities for men and women in the year 2009-10 have been reflected in the following table -

Number of persons in work force in India (millions):

Year	Rural			Urban			Total
	Male	Female	Total	Male	Female	Total	
2004-05	218.9	124	342.9	90.4	24.6	115	457.9
2009-10	231.9	104.5	336.4	99.8	22.8	122	458.4

Source: The National Sample Survey Organization Report (2009-10), NSSO Publication.

As per this survey, there has not been any significant increase in employment opportunities. But alarming fact is that there has been a declined in employment in the rural areas, led by a sharp fall in the employment of rural females. Preseasons for the same are required to be traced out.

The recommendations of the National Commission on Self Employed Women 1987and suggestions on National Commission on labour 2002 should be implemented for improving economic status of poor women working in the informal sector and to enhance their ownership and control over productive assets.

State of affair of contract and migrant labour in the era of globalization:

In organized industries, contract workers are not protected to the same level of conditions of employment, wages and benefits in comparison with the workers employed directly. Conditions of work of contract labour in unorganized sector is still worse because of casual nature of employment, ill-literacy, scattered nature of establishment etc. Though the Contract Labour (Regulation and Abolition, Act 1970 has made some improvement. As per this Act certain amenities such as canteens, rest rooms, supply of drinking waters, latrines and urinals, washing facilities and first aid facilities should be provided to the contract

labour. However, the implementation of the Act is not satisfactory. Hence it should be implemented properly to promote social and economic justice amongst a larger number of workers employed in the unorganized sector.

Migration of workers is an inevitable consequence of economic development. Various labour laws like Minimum Wages Act, Workmen Compensation Act, and Payment of Wages Act are applicable to all workers including migrants, provided their establishment is covered under these laws so as to protect their rights. A separate legislation namely, Interstate Migrants Workmen (Regulations of Employments and Conditions of service) Act, 1979 was enacted to regulate the employment and to provide for their conditions of service and welfare and for matters connected therewith. However, again the implementation of Act is not effective because of the reluctance to cooperate, on the part of labour departments of originating State and ignorance of workers. Therefore, it is necessary to implement this Act to give fair treatment, fair housing, fair wages and social security benefits to the migrant workmen.

Emerging issues of Construction labours:

The building and construction industries play a vital role in Indian economy. It is a flourishing industry and has created a new class of entrepreneurs and their by creating a strong builders lobby in the country. For development in the field of business, education, trade, commerce, transport, health, food production, roads, canals, bridges etc. It is the second largest unorganized sector of industry employing more than 8 million workers. Due to rapid growth of urbanization there is substantial growth in the industries. The workers working in the industries are not free from exploitation as most of them are contract labourers and moving from one project to another and with adverse working conditions. Though so many labour laws were applicable to these workers but they were not sufficient to tackle the problems of these construction workers. Hence following two comprehensive central legislations were passed for this category of workers.

1) The Building and Other construction workers (Regulation of Employment and conditions of Service) Act, 1996.

2) The Building and Other construction Workers Welfare Cess Act, 1996.

Because of these legislations provisions for regulating the employment and conditions of service, safety, health and welfare measures for these workers were made. The second legislation provides for creation of welfare fund by the employer so as to avail benefits to the worker or his families in case of accident, pension, housing loan, children education and other medical benefits. Besides these legislations it has been observed that these workers work timings are uncertain, their safety measures are not sufficient, violation of labour laws is a routine, women workers are not given maternity benefits and minimum wages and high excellent rate. Due to such reasons these workers suffer various health problems. Casual workers don't get benefits of various laws. During the work on site the working condition, residential accommodations, sanitary facilities, water education of children are not really taken care of. Even preventive precautions have not been taken to prevent accident on the construction site. These workers are not organized. The workers unions should take some steps to protect the rights of these workers. First aid training programme, awareness of various diseases is required to be conducted / made. Cultural programmes, sports activities would create a healthy environment on the site. Industry should initiate and implement various welfare activities for these workers under the pretext of their corporate social responsibility initiatives.

Issues relating to agricultural and casual workers: Agricultural workers are also unorganized and unskilled. Most of them are from lower strata of the society. The agriculturist himself is uncertain about his future. Hence one can understand measurable working conditions of these workers. Considering the peculiar conditions of agriculturist labour one can easily feel the urgent need to give sufficient protection to such workers. The existing social security legislations have not taken cognizance of welfare of rural workers. Rural housing, drinking water supply, rural credit schemes, education to children is the certain

major issues to be sorted out. Problem of un-touch-ability, caste system and blind faith in the rural area add fuel to the problems. The employment guarantee scheme can solve the various problems of these workers. The workers involved in casual and occasional jobs may be identified as casual labourer. In Maharashtra through Maharashtra Mathadi, Hamal and other Manual Workers (Regulation of Employment and Welfare) Act, 1969 was enacted to improve working conditions of such unprotected manual workers. Besides this substantial number of home based workers are working without having much legal protection in the field of beedi rolling, garment making, agarbatti making, preparation of papad, pickles etc. There are few NGOs like self-employed women's associations who are working to solve the problems of these workers. Tribal labour, forest labour, fisheries labour, mines and quarries, Beedi and Sigar workers are certain additional working forces who are not adequately protected under the existing legislations. Moreover few additional classes of labours working in information technology related sector are also facing lot of problems and hence there is an urgent need to pay attention to the welfare of these workers so as to maintain socio economic balance. Proactive collective, concrete steps are required to be taken by the government, voluntary organizations, intellectual, social scientist and entrepreneurs.

Suggestions: So as to overcome problems posed by globalization, following suggestions may be considered to create healthy environment for the workers and their families to achieve the goal of industrial harmony and peace by respecting basic human values and human rights of the individuals in the emerging changes in industrial sector.

- 1) Activities of welfare measures for the workers in Indian industries must be taken by providing facilities suitable for their physical, psychological, cultural, social economic morale and intellectual growth.
- 2) Programmes for physical fitness and efficiency, housing, recreations such as sports, cultural activities, library, holiday homes, leave travel facilities, cooperative credit society, and transport facility may be provided for workers on and off the factory premises.
- 3) Employers should take cautious and conscious efforts to avoid any strike, strife in the industries.
- 4) Employers and trade unions should take proactive steps by suitably using the information technology based equipment and services for prevention of industrial hazards.
- 5) It is necessary to identify economically viable occupations and women should be given adequate entrepreneur training so that they would explore self-employment opportunity and avoid any kind of exploitation by the employers.
- 6) The recommendation of National Commission of Labour 2002 that, The Special Courts be appointed to hear and decide upon disputes of migrants and contract labour and such other recommendations be implemented in the interest of these workers.
- 7) As recommended by National Commission on Labour, 2002, an "Umbrella Legislations for workers in the unorganized sectors to ensure at least a minimum protection and welfare to the workers in the unorganized sectors be passed on urgent basis.
- 8) Emerging concept of Corporate Social responsibility can be extended for the betterment of workers and their families. The statutory provision relating to corporate social responsibility and regarding spending some amount from profits of the companies stipulated in the Indian Companies Act, 2013 is required to be implemented in consultation with non-governmental organization working in the social field.
- 9) Joint Committees of trade unions of workers and managements should be established to study emerging human resource management practices and make appropriate suggestions to provide better welfare amenities. Companies should come-out of the traditional mode of distrust and conflict and create healthy partnerships with trade unions and workers.
- 10) Managements should encourage workers for their excellent work, good attendance, team efforts creativity etc.
- 11) Efforts should be taken to provide housing facility to the workers near the work place so as to avoid unnecessary transport and save the time by formulating appropriate programmes with the help of

government and Trade Unions or else providing housing loans to purchase houses elsewhere. E.g. Textile Labour Association Ahmedabad has successfully utilized the financial assistance and guidance provided under the subsidized housing schemes.²²

- 12) Counselling Centers, Appropriate Insurance schemes, for workers and their families on various issues may be established in the interest of workers. Workers Co-operative Credit Societies may be established to cater the requirement of availing loans for the appropriate need of the workers and their families.
- 13) Research should be carried out to find out the reasons for sharp decline in women's employment particular in rural area and appropriate strategy be formulated by the government to see that the women work force get equitable opportunities for their employment in the globalized economics.
- 14) Companies may also consider to conduct and organize training programme for skill developments of workers and also for building awareness of rights, duties and liabilities among the workers.

Conclusions: Besides certain constitutional safe guards to unorganized labour force in India and labour legislations, there is urgent need to take pro-active steps by employers and see that this substantial section of society live their human life with dignity and with adequate social security. So as to eradicate negative impact of globalization on the labour force of India, the collective efforts on the part of government, employers, voluntary, organizations, Trade Unions through concrete, well planned strategic steps can definitely improve workers and their family member's physical, mental, social and cultural conditions of life as well as health, safety, security and convenient conditions of work life. Proper implementation of labour legislations and proactive steps of the employers and other stake-holders can make positive change in the field of labour welfare in India which would ultimately help the industrial society to create social and industrial harmony and peace. India needs to cater the aspiration of the this neglected unorganized sector, and finally see that the goal of socio-economic justice, enshrined in the constitution is accomplished.

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