

SYNOPSIS

INDUSTRIAL RELATION AND LABOUR LAWS-MB304-HR

ELECTIVE-II

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UNIT-I

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 subcontract 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 returned 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.

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 characterized 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.

Economic Problems of Labour

The Economic Problems of Labour are: The high rates of unemployment and underemployment.

- The low rates of productive employment creation.
- The unprotected conditions in the unorganized sector.
- The perception of adversarial labour relations.
- The inadequate levels of skill creation and training.
- The inefficiently targeted Social Security regime.
- Labour legislation that is becoming out of tune with the times.

- The competitive market reform policies have turned many industrial units unviable.

The plantation sector is also facing a grave situation due to non remunerative prices for commodity products like Coffee, Tea and Rubber. All this has led to retrenchment and closure of many industrial units and estates in the plantation sector. The forces of globalization, the dismantling of trade barriers, the new production paradigms in „sunrise“ areas like information technology and biotechnology, the practice of home working, intangible value addition and other phenomena are making their presence felt in India also. The organized sector worldwide is moving away from an employment security regime, towards an income security regime. The new environment demands a high degree of adaptability and flexibility in the labour market, but the challenge before the government is to ensure that this flexibility is compatible with labour market security, including protection against arbitrary loss of employment, arbitrary reductions in income and unhealthy work practices. Hence labour policy initiatives are aimed at creating a favorable environment for a planned effort, facilitating industrial promotion and revival 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.

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.

THE INDUSTRIAL RELATIONS CODE, 2020

INTRODUCTION: The Industrial Relations Code, 2020 provides a broader framework to protect the rights of workers to make unions, to reduce the friction between the employers, and workers and to provide regulations for settlement of industrial disputes. The Code is prepared after amalgamating, simplifying and repealing following 3 central labour acts:

- i. The Trade Unions Act, 1926
- ii. The Industrial Employment (Standing Orders) Act, 1946
- iii. The Industrial Disputes Act, 1947

SCOPE & APPLICABILITY: The Code is designed to consolidate & amend the laws regarding Trade Unions, conditions of employment in Industrial establishment or undertaking, and sleek settlement of industrial disputes. The code regulates the subsequent areas:

- Registration of Trade Union
- Cancellation of Trade Union
- Alteration of Name of Trade Union
- Formation of Work Committee
- Incorporation of a Registered Trade Union
- Recognition of Negotiating Union
- Preparation of Standing Order
- Register of Standing Order
- Constitution of Industrial Tribunal
- Illegal Strikes and Lock-outs
- Procedure for Retrenchment and Re-employment of Retrenched Worker
- Compensation to Workers in case of Transfer of Establishment

- Prohibition of Lay-off
- Closure of an Industrial Establishment. OBJECTIVE
- The Code designated to safeguard the rights of employers and employees by providing easy labour reforms and to facilitate ease of Doing Business.
- The object of the Code is to realize industrial peace and harmony as the ultimate pursuit in resolving industrial disputes and to advance the progress of industry by bringing about the existence of harmony and cordial relationship between the employers and workers.

KEY DEFINITIONS

• Industry means any systematic activity carried on by co-operation between an employer and for the production, supply or distribution of goods or services with a view to satisfy human wants or wishes, whether or not: I. any capital has been invested for the purpose of carrying on such activity II. such activity is carried on with a motive to make any gain or profit, but does not include: III. institutions owned or managed by organizations wholly or substantially engaged in any charitable, social or philanthropic service IV. any activity of the appropriate Government relating to the sovereign functions of the appropriate Government including all the activities carried on by the departments of the Central Government dealing with defense research, atomic energy and space any domestic service. V. any other activity as may be notified by the Central Government.

Employer means a person who employs, whether directly or through any person, or on his behalf or on behalf of any person, one or more employee or worker in his establishment and where the establishment is carried on by any department of the Central Government or the State Government, the authority specified by the head of the department in this behalf or where no authority is so specified, the head of the department, and in relation to an establishment carried on by a local authority, the chief executive of that authority, and includes: I. in relation to an establishment which is a factory, the occupier of the factory, II. where a person has been named as a manager of the factory III. in relation to any other establishment, the person who, or the authority which has ultimate control over the affairs of the establishment and where the said affairs are entrusted to a manager or managing director, such manager or managing director;

contractor and legal representative of a deceased employer. • Employee means any person other than an apprentice engaged under Apprentices Act, 1961 employed by an industrial establishment to do any skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied, and also includes a person declared to be an employee by the appropriate Government, but does not include any member of the Armed Forces of the Union. • Worker means any person except an apprentice employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied and includes working journalists, and includes any such person who has been, dismissed, discharged or retrenched or otherwise terminated in connection with or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute, but does not include any such person: I. who is subject to the Air Force Act, 1950, or the Army Act, 1950, or the Navy Act, 1957 II. who is employed in the police service or as an officer or other employee of a prison; or III. who is employed mainly in a managerial or administrative capacity IV. who is employed in a supervisory capacity drawing wage of exceeding eighteen thousand rupees (INR 18,000) per month or an amount as may be notified by the Central Government from time to time. • Trade Union means any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workers and employers or between workers and workers, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more Trade Unions.

UNIT-II

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 in 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 socioeconomic 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, worker participation.

- Industrial Relation schemes, discipline procedure, grievance redressed machinery, dispute settlements machinery working of closed shops, union reorganization, organizations 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.

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.
- 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.

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 an 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 employees 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.

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 employees 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.

UNIT-III

TRADE UNIONISM:

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.

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.

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.

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. Thiru Vi. 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 Ahmadabad, 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, Ahmadabad, was his laboratory 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

7.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.

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

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 longrun 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).

UNIT-IV

LABOUR LEGISLATION IN INDIA - I

LABOUR WELFARE:

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.

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 recognized very recently by the employers, government and other agencies, though the progress in this direction is very slow.

The labour welfare activities are organized 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.

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.
- 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.
- 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.

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 flextime 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.

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.

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.

1. 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

2. 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. 3. Medical bonus of Rs.250 if no pre-natal confinement and post-natal care is provided for by the employer free of charge.

4. 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.

5. In case of illness, arising out of pregnancy, delivery, premature birth of 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.

6. 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.

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.

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.

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. 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 Organization, its operational headquarters. The administration and management are decentralized 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 organizations that have recognized its jurisdiction. Currently, it is open to approximately 46,000 international civil servants who are serving or former officials of some 60 organizations. ILO Centres and Institutes Universally, the ILO is regarded as an authoritative source of knowledge in the world of work. The Organization has created Institutes and centres that provide specialized research, training and support for the ILO's offices and constituents.

UNIT-V

LABOUR LEGISLATION IN INDIA - II

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.

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 unorganized 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.

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
2. The Industrial Employment (Standing Orders) Act, 1946
3. The Industrial Employment (Standing Orders) Rules, 1946
4. The Industrial Disputes Act, 1947

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

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.

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 about including conditions of work, provident funds, employers 'invalidity and old age pension and maternity benefit.

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.

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 byproduct 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.
2. Classification by industries.
3. Classification by age, sex, education.
4. Classification by occupation.
5. Classification by status

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.

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.