



Concept Note

National Collaborative Workshop

on

Labour Reforms and its Impact on the Future of Organized Labour and Social Security Measures in India

Dates: 22nd & 23rd January 2024

Venue: Loyola College, Chennai

(VVGNI, NOIDA- LOYOLA COLLEGE, CHENNAI

Hybrid Mode)

Introduction:

'Labour' is a common subject for the Centre and the States. Article 246(4) of the Constitution of India empowers the Union and the States jointly to legislate on issues relating to trade unions, industrial and labour disputes, social security and social insurance, employment and unemployment, the welfare of labour including conditions of work, provident funds, employer's liability, workmen's compensation, invalidity and old age pensions and maternity benefits. The Central Government enacts a labour law while ensuring uniformity and parity throughout the country. The State Governments are empowered to either accept a Central Law, as it is, or after making suitable amendments therein or even enact their law, considering the typical conditions of labour in their states. Besides, the State Governments are generally the chief administrative authority having powers to make rules and appoint authorities for carrying out the purposes of the legislation. However, regulation of labour in railways, mines oilfields, defence industries

of national importance, and Naval, Military and Air Forces, is controlled by the Union Government, exclusively.

Over the past year, the Government of India has announced several far-reaching changes to the Central Labour Laws to strengthen its Make in India Campaign aimed at making India a global manufacturing hub. It has proposed to **consolidate the existing 44 labour laws into Labour Codes** and has introduced **four such Labour Codes**, namely, the **Labour Code on Industrial Relations; the Labour Code on Wages; the Labour Code of Occupational Safety Health Working Conditions; and the Labour Code on Social Security**. It has proposed a new labour law regime to govern small factories called the **Small Factories Bill**. It is the process of effecting several amendments to the **Factories Act, of 1948**. It has amended the Apprentices Act and the Labour Law (Exemption from Filing Returns and Maintaining Registers) Act. Utilizing their concurrent powers to amend the central labour laws, the Governments of several states in India have also taken the initiative to effect changes in the laws, the State Government of Rajasthan being the forerunner in this respect.

While employers' organizations have welcomed these initiatives claiming they are long overdue, workers' organizations are up in arms against these changes. Employers and others in favour of these 'labour law reforms' allege that India's labour laws are rigid and restrictive and a major impediment to economic growth. They argue that flexibility under the law is vital to enable industries to adjust their labour requirements following technological changes and any shift in market conditions. They contend that flexibility will encourage not just the growth of industry but will lead to the generation of more formal employment. They point out that India's labour laws are complex and too many and that simplifying the laws and easing the 'burden of compliance' is necessary to encourage investment and the growth of industry. On the other hand, pointing out that there has been a steep rise in informal employment in the formal sector since the adoption of the New Economic Policy in 1991, trade unions argue that employers already enjoy much more flexibility than the law allows and providing greater flexibility under the law will only lead to further deterioration in the conditions of labour.

The workers and their unions allege that the changes proposed undermine the

workers' rights and trade unions' democracy and are contrary to the constitutional values reflected in the Directive Principles of State Policy and International Labour Standards (I.L.S.). They apprehend that the changes proposed will have the effect of pushing a large number of workers out of the coverage of beneficial labour legislation. While the Central Trade Organizations agree that it is necessary to simplify and harmonise the existing labour legislation, they point out that workers should not be deprived of their hard-won rights in the process.

The Parliament has been concerned with the recent proposed changes to the central labour laws as well as the changes proposed to be effected. Since the onset of the reform process last year, the Central Trade Union Organizations have repeatedly said that the Government has been acting unilaterally and announced changes to the laws without any consultation with them. They have also said that the Government has ignored the unanimous recommendations passed by the Indian Labour Conference and their long-standing demands in the process. Labour Law is not one legislation, but it is a cluster of legislations enacted and amended by the government from time to time, covering the gamut of issues relating to labour and its employment. Satisfaction and job security the labour and checking exploitation and oppression by the employer is the essence of all these enactments. A developed and dedicated workforce is a prerequisite for the success of any organization. For this reason, several obligations have been imposed upon the employer, non-compliance of which entails penalty or prosecution also. And there is another side of the coin too. The employer has restricted rights to be exercised against the employees under certain conditions. Provisions have also been made to curb unfair labour practices, such as strikes, go-slow, etc., to resolve industrial disputes and to harmonise the labour management relations. Ignorance of law is no excuse. It is, therefore, essential for everyone whether he be the owner, employer, manager, supervisor or employee of any organization, to keep himself abreast of his rights and obligations under the labour laws.

Code of Labour - Labour Law Reforms in India and recent trends in Industrial Relations:

Even while the debates in respect of the labour law reforms already announced rage on, further changes to the labour laws have been proposed. As a multitude of changes to the laws have been announced one after another at a rapid pace, many workers, labour activists, labour lawyers, academicians and researchers in the field and other concerned members of civil society do not have sufficient information about the proposed changes to the Central Labour Laws and the changes recently effected and the workers' perspective on these issues. The major labour law reform initiatives of 2014 – 15 clarify that the reforms have some positive features that are beneficial to workers. For instance, the provision in the Labour Code on Industrial Relations Bill as per which registration ought to be granted to a trade union within 60 days from the date on which the application for registration is made failing which registration shall be deemed to have been granted benefits workers. Similarly, the new provision proposed to be added to the Factories Act requiring employers to provide suitable Personal Protective Equipment (P.P.Es.) and protective clothing to workers involved in hazardous work is helpful to workers.

State Amendments to Central Laws:

Under the Constitution of India, State Governments have concurrent powers to enact labour laws as well as to amend the central labour laws. Making use of this power, the Governments of several states in India have in the past year announced a range of amendments to the central labour laws with the hope that it would encourage investment and industrial growth in their respective states. Last year, the Government of Rajasthan carried out major amendments to four central labour laws, namely, the Factories Act, Contract Labour (Regulation and Abolition) Act, Industrial Disputes Act and the Apprentices Act. The Government of Gujarat also amended several central labour laws last year. The State Governments of Madhya Pradesh, Jharkhand, Andhra Pradesh, Haryana and Maharashtra are also in the process of amending several central labour laws.

Objectives of the Seminar:

1. To **provide a platform for the experts and young minds** to come together for a **series of interactions** about the current trends concerning Labour Reforms in India.
2. To **discuss the recent labour law reforms** effected by the Centre and the States and its impact on the workers/trade unions, employers and various stakeholders
3. To **evaluate the Labour Codes** on Wages, Industrial Relations, Social Security and Occupational Safety Health & Working Conditions.
4. To **impart a spirit of inquiry** among the participants of this Collaborative Seminar about the reactions from the **employers** and members of **Central Trade Union Federations**.
5. To **debate on the current job market scenario** and how it impacts the relations between the representatives of the management and trade union.
6. To **explore** the role of the **International Labour Organization (I.L.O.)** and its **interventions** on the proposed labour law reforms by the Centre and various states.
7. To make the participants **develop a critical understanding** to face the current challenges faced by the management and the workers through trade unions.

Sub-themes for the National Conference:

- ✓ Code on Labour on the Wages, Industrial Relations, Social Security and Occupational Safety Health & Working Conditions.
- ✓ **Central and State Amendments** to Labour Law Legislations.
- ✓ Inter-State Migrant Workers & their **working conditions in India especially after COVID-19**.
- ✓ Factors affecting labour law reforms in the wake of the **current economic slowdown, GST and the pandemic of COVID – 19 due to the national**

lockdown.

- ✓ Fixed Term Contract (F.T.C.) and prospects of permanency in employment.
- ✓ **Trade Unions Rivalry** and the **failure of Central Trade Unions** in **collectively opposing the anti-labour reforms** in India.
- ✓ **International Labour Organization (I.L.O.)** and its interventions to secure balanced labour law reforms by the **International Labour Standards (I.L.S.)**.

The outcome of the Conference:

1. A **wider consultation** on the **Labour Law Reforms** brings in all the **central trade unions and the employers' associations** to reach a **consensus on labour reforms**.
2. To develop **critical reflections** on the **recent trends, advances and challenges** concerning employment opportunities due to the **recent amendments** brought in the existing labour legislation.
3. To throw **new ideas and views** about the coverage of **social security measures** for the **workers in the unorganized sector** as well as **unorganized workers in the organized sector**.
4. **Advocacy for Pro-labour law reforms** with the involvement of employers and central trade unions and **Lobbying** for the reduction in inequalities in income and wealth and more even distribution of economic power.
5. **Contribution to the improvement and development** of the enterprises and society through better interactions between the labour and the employer.
6. **Suggest the nation and the states** on the ways and means to resume industrial growth through better labour law reforms acceptable to both the workers / central trade unions and the employers' associations.

Participants who are interested in participating in the workshop are requested to submit their nomination through the below link **before 20 January 2024**

<https://forms.gle/vLb8fU6SVmBWsbYh6>

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