

Problems of Indian Labour Market

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Abstract

Labour problems constituted a serious menace to the society. Employers paid their sole attention to the maintenance of machines and the improvement of the technical know-how to the utter neglect of the human hands employed to man the machines because they were readily available and could be easily replaced. The socio-economic status of the workers was far below the status of their employer. Workers also started to form their own organization to fight against exploitation at the hands of industrialists. The Government too realizes the gravity of the problem and could not remain a spectator for the workers constituted a large section of the society. Neither the Government nor the law courts took special notice of these problems because they laid too much emphasis on the policy of the non-interference and freedom of contract.

Keywords: Labour Problems, Menace to the Society, Employers, Organisation

Introduction

Labour problems constituted a serious menace to the society, and needed solution, if not to eradicate then at least to mitigate them in the very beginning. Employers paid their sole attention to the maintenance of machines and the improvement of the technical know-how to the utter neglect of the human hands employed to man the machines because they were readily available and could be easily replaced. Workers were illiterate and poor and therefore unconscious of their rights. The socio-economic status of the workers was far below the status of their employer. As such they could not exercise their free will in negotiating with the employer for employment. The employer taking advantage of the poor condition of the workers dictated their own terms and conditions with regard to wages, hours of work, leave, etc. The workers were left with no choice but to accept such terms because service was the sole means of earning their livelihood. Neither the Government nor the law courts took special notice of these problems because they laid too much emphasis on the policy of the non-interference and freedom of contract. Thus, with the lapse of time the situation turned out to be so worse and the society became so much adversely affected that the Government was compelled to take some action to remedy these problems. Ultimately some philanthropic agencies like Servants of India Society, Social Service League and some industrial social workers raised their voice against these problems. They were successful in mobilizing the public opinion in support of their view point. Workers also started to form their own organization to fight against exploitation at the hands of industrialists. In the beginning the effort of the workers was not very successful because of their weak bargaining power and lack of resources on which they could rely for their livelihood in the absence of wages. Some employers also realised the seriousness of the problem and the necessity of mitigating these evils for they affected the production of the industry, they felt that investment on labour welfare was a policy worth pursuing because a contented worker would produce better yields and would increase the efficiency. The Government too

later on realized the gravity of the problem and could not remain a spectator for the workers constituted a large section of the society. Moreover, the government had to intervene to settle the disputes in the interest of national economy and the welfare of the society at large. If some key industry is thrown out of gear, the whole system is paralysed. Frequent break downs of even a part of the economic system tend to impoverish the community. The prevention of industrial strife thus assumes an important role in national policy and the State, therefore, cannot afford to remain indifferent to the problems leading to industrial conflict. After independence the national government paid much attention to the improvement of the conditions of labour in industry, for the prosperity of a country depends upon the development and growth of industry. No industry can flourish unless there is industrial peace and co-operation. Industrial peace is possible only with the co-operation of labour and capital. To ensure better co-operation the wage earner who is a partner in the production should be allowed to have his due share of the profit for increased production. Therefore, we have to shape our economic policy in such a manner as to give labourer his due status by offering him reasonable working conditions and due share in production. That means social justice and social security has to be restored to the labourer. Our Constitution guarantees social justice to the people of India. Social justice means achievement of socio-economic objectives. Labour legislation is one of the most progressive and dynamic instruments for achieving socio-economic progress. 'There is no other branch of law which embraces such a wide and effective role in social engineering and social action. It is here that the industrial law distinguishes itself from other branches of law and awaits the development of wholly different jurisprudence to explain and expound it'.

Labour Laws for Informal Sector Workers in India

The unorganised and informal sector of the economy has a key role in the overall development and economy of a nation, especially in terms of its contribution towards GDP and employment. The workers engaged in this sector play a vital role in the growth of this sector, and their rights and entitlements need to be protected. This is all the more important in the case of developing economies like India. A number of measures have been incorporated in the Constitution of India — especially in its Preamble; Chapter III dealing with Fundamental Rights; and Chapter IV dealing with Directive Principles of State Policy— to address the various labour and social security issues of the workers in general and those engaged in the unorganised and informal sector in particular. A number of labour legislations have also been enacted in India both by the central and state legislatures to protect the interest of such workers. These legislations touch upon various aspects such as wages, employment relations, conditions of work, labour welfare measures and social security, etc. The following sections provide a broad overview of the salient features of the key labour legislations applicable to the informal sector in India.

India's Labour and Employment Scenario

Provision of quality employment is key to achieving economic and social development. Apart from its direct implications for improving individual well-being, employment is central point of focus to several social objectives like poverty reduction, productivity growth and social cohesion. The developmental policies accruing from quality employment range from acquiring skills to empowering women. With the creation of quality employment now regarded as vital to sustain high economic growth, the centrality of employment in public policy has assumed renewed attention in recent years. Given such a scenario, it is crucial that appropriate policy measures are initiated to create conditions for generating quality employment so that it contributes to faster and equitable economic development. The formulation of such policies must necessarily be based on an analysis of the emerging labour and employment situation

at the national level and disaggregated across different income and social groups. This brief paper provides a situational analysis of the emerging nature and characteristics of India's labour market.

Prevention of Children's Entry into Employment at Tender Age

In India, children are engaged in varied forms of activities such as domestic work, household enterprises or farm and wage work. It is necessary to draw a line between child labour on the one hand and activities considered part of a natural socialisation process on the other, where children combine other childhood activities with the limited work roles assigned to them. Work may become a burden and serious risk to children if it results in neglect of their social and educational growth. In such a case, work predominates and places children under severe stress. It becomes a danger to their healthy development and future prospects. It is in this context that 'child work' is exploitative and abusive. In other words, work that impinges on children's right to education, play, leisure, mental, physical, spiritual and psychological development is child labour. In spite of the child labour-child work distinction, the number of working children is high for the issue of child labour to be a matter of huge concern in India. While this is the broad context in which child labour is understood, there are varying definitions of child labour depending on the purpose. According to Encyclopaedia of Social Sciences, 'When the business of wage earning or of participation in itself or family support convicts directly or indirectly with the business of growth and education, the result is child labour.' The International Labour Organization (ILO) it thus: 'Child Labour includes children prematurely leading adult lives, working long hours for low wages under conditions damaging to their health and to their physical and mental development, sometimes separated from their families, frequently deprived of meaningful educational training opportunities that could open up for them a better future.'

Health Insecurities and Protection of Workers in Informal Employment

While the process of globalisation has led to growth in the economy and new employment avenues, most of the employment created is informal in nature and of poor quality, with low productivity. As per the NSSO, informal workers account for 92% of the total workers. Out of the 472 million workers in 2011-12, about 392 million or 83% were estimated to be working in the unorganised or informal sector comprising privately owned enterprises employing less than 10 workers. Even the organised sector, which accounts for 80 million workers, had 46 million workers (58%) in the informal category of employment. A look at the different employment categories shows that self-employment is the most dominant component, with a 52.2% share in total employment. A look at the different employment categories shows that self-employment is the most dominant component, with a 52.2% share in total employment. Studies have noted that in the post-liberalisation period when Indian industry experienced an expansion in international trade, health security changes have taken place in the labour market. Although changes in the labour laws have not been made, yet there has been a general weakening of the bargaining power of workers through relaxed enforcement mechanisms, increased use of contract labour, changing nature of the workforce (with increased casualisation and feminisation), and a general weakening of the trade unions (Pages and Roy, 2006; Bhattacharja, 2006; Ahmad and Pages, 2006). Such changes in the labour market have affected a large population base engaged in industrial activity, as the growth of the informal economy implies increasing insecurity and vulnerability of workers.

Conclusion

Every time a job-seeker applies for a job he/she runs the risk of not getting it. However, these risks may not be uniformly distributed across jobseekers: some have a better chance of jumping the hurdles that

serve as obstacles to employment; others have a higher chance of stumbling. The important question to ask relates to the determinants of such risk. In particular, does this risk differ significantly between job-seekers from different groups: gender, religion, or caste? The most usual concept of “unfair access” by a group to a particular “facility” is that there is disproportionality between its representation in the population and in the facility. However, when there are many groups, the relevant question is how to merge these group disproportionalities into a single measure of access inequality. Ideally such a measure should satisfy the “Pigou-Dalton condition”, which, applied to the present study, requires that an increase in numbers of deprived persons, at the expense of an equal reduction in the number of non-deprived persons, would reduce access inequality.

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