

Globalization and Labour Reforms in India: A Critical Study

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Abstract – In this era of capitalism, economic neo-liberalism and market-oriented economy under the pretext of economic liberalization and globalization, the rights of workers were limited and social security-network weakened at the practical level, while the profits of corporate groups and business class kept increasing at their cost. . Even the activities of trade unions, which fought for the rights of workers, became limited and changed their agenda. In 2011-12, the informal employment in the organized sector increased from 48% in 2004-05 to 54.6%. And, now, in the name of labour reform, under the pretext of economic stagnation, efforts are being made to restrict the rights of workers which they got after a long struggle. The present paper tries to produce a critical study on globalization and labour reforms in India.

Key-Words: Globalization; Labour Reforms; Contract labour; Protection of Labour Interests; Trade Unions.

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INTRODUCTION

Labour reforms do not mean dividing the labour market by dividing it into organized and unorganized sector and raising workers in the unorganized sector against the organized sector workers. This means on the one hand ensuring the protection and promotion of the interests of organized sector workers as well as the unorganized sector workers, on the other hand addressing the concerns of entrepreneurs and creating an environment for entrepreneurship and investment, so as to promote economic growth. The process should be speeded up so that the possibility of creation of employment opportunities is strengthened. But, in this order, it is also necessary to keep in mind that any such reform should not be anti-labour, otherwise it will be difficult to get the support of labour-organizations as well as political parties for such reforms, as so far it happens. In this sequence, it is also necessary to clarify that trade unions and labour organizations are not opposed to labour reforms, but they are opposed to reforms which are in favour of entrepreneurs and management and against labour interests.

BACKGROUND OF LABOUR REFORMS

The socialist trend of Indian labour-policy, which has been going on for the last several decades, is well known, which is more in favour of workers than entrepreneurs and factory-management. Also, due to the multiplicity and complexity of labour laws, their compliance-cost is very high. Not only this, to avoid

falling under the strict labour-laws, Indian companies like to cover themselves on a small scale. As a result, along with entrepreneurship and investment, growth and creation of employment opportunities are adversely affected. It is therefore alleged that all the provisions made in labour laws to protect workers from being expelled have actually become a shield against their dismissal for unproductive and inactive workers. Despite this, if this was good for the labourers, then this situation could be accepted, but neither the labourers nor the entrepreneurs are benefiting from it. This is the opposite of entrepreneurs and entrepreneurship. It would be ironic that despite the (88-90)% share of the unorganized sector workers in the labour market, it is in favour of the organized sector workers; Whereas in the context of unorganized sector workers, employment-vulnerability is also high and social security-networks are also very weak. But, the complexity of this issue needs to be understood.

Adverse effect on entrepreneurship and labour-market dynamics: In micro, small and medium enterprises in India, 95% of the units fall in the category of micro units, 4.5% units in the category of small units and 0.5% units in the medium category units. Whereas as the size of the units increases, its productivity also improves and the productivity of the workers also increases, resulting in better returns to the workers. The reason for this is that these units want to keep their size small in order to continue to take advantage of the tightness

of labour laws and the facilities provided by the government, otherwise they are denied the benefits and facilities due to the small size. While these are required, they are expected to ensure mobility in the entrepreneurship market by exhibiting mobility and transforming themselves from micro to small, small to medium and medium to large industries. However, the failure to do so is adversely affecting the capital and productivity of workers and ultimately it hinders the economy as well as the possibility of betterment of workers. In short, the labour-market dynamics along with the entrepreneurship market are being adversely affected due to rigid and complex labour laws. Also, expansion of organized sector is also being affected due to this. Naturally, this also adversely affected the creation of employment opportunities.

It is important to note that labour-market dynamics mean the departure of workers from unskilled labour to skilled labour, from the unorganized sector to the organized sector, and from micro to large industries, which reinforces the possibilities of increased labour-productivity and. Certainly it can ensure better returns, better employment security and better social security for the workers.

LOW AND UNEQUAL PAY-RATIOS

There is a clear division of regular and contract labour in the Indian labour market. There is a difference between wages, employment security, other facilities and collective bargaining ability. If this question is considered in depth, then at the core of these workers in the regular and unregulated sector is the difference between organized and unorganized sector, low labour-productivity of workers, relatively low productivity of units in majority and all these reasons. The wages of labourers are to be reduced. Out of the six crore industrial units in India, only 12 lakhs pay compulsory social security, while of these only 18,000 units have a paid up capital of more than Rs 10 crore. The productivity of 90 per cent of the units engaged in manufacturing is 24 times less than the rest of the 10 per cent units.

THE PROBLEM OF CONTRACT LABOUR

Today there is a clear division of regular and contract labour in the labour market, which is differentiated in terms of wages, employment security, other facilities and collective bargaining ability. Contract workers are contracted by Labour Contractors who are listed as suppliers of contract workers from the employer and are paid their salaries. That is why employers do not consider contract workers as their employees nor are they ready for any kind of interaction with the trade union on their issue.

Trade Unions Act and Contract Labour

Under the Trade Unions Act, 1926, any worker working in a factory can be a member of a trade

union. Section 2 (g) of this Act defines all workers working in that undertaking, whether or not their name is in the employment list of that employer, with reference to disputes as 'workers' in the context of a trade union. However, to avoid conflict with trade union management, only permanent workers are made members. Hence they are generally abstained from granting membership and voting rights to contract workers. Secondly, trade unionists and permanent workers do not want to extend union membership to contract workers themselves because of the possibility of diminishing their influence. This is the reason that Indian contract workers are exploited, unconnected with union activities, and both of them are stimulating each other, except for PSUs related to steel and coal sector.

Supreme Court decision in relation to contract workers

Recently, the Supreme Court said that the contract workers in the public sector should be given the same salary as regular workers and said that contract workers, temporary workers, daily labourers and informal workers' Not giving 'equal pay' for equal work is exploitation and is contrary to human dignity. This decision of the Supreme Court strikes the distinction between regular workers and contract workers, whether they are related to the public sector or private sector. It should have an immediate and positive effect on this contrast, but it is not likely to happen because the trade unions are indifferent to the problem of contract workers.

Contract Labour (Regulation and Abolition) Act, 1970

This Act was enacted to protect the interests of permanent and regular workers. In view of this, the Act allows the use of contract labour for non-critical activities like cleaning, gardening and maintenance, but prohibits the use of contract workers for core activities like production. Despite this, suppliers of contract workers easily ignore this provision by allowing contract workers to enter the factory as sweepers and once they enter the factory site they are put into production. There is no system to monitor it.

It is clear that the Act was brought for the abolition of contract labour, but it provided institutional framework for their exploitation and oppression by providing a legal framework for it. This law remained ineffective on the practical ground because initially the contract workers were used for important works like cleaning, gardening and maintenance, but now it is being used extensively for production activities as well. Also, neither do they get wages as per the law nor are they paid on time. Leave aside the facilities like overtime, employee state insurance (ESI) and provident fund (PF) at double the rate. In addition to this, both

permanent and temporary workers could claim and negotiate with the employer as members of a trade union before this Act, but the Act gave rise to the possibility of differential tax contracting between the employer and the parent employer Retained.

Protection of labour interests and trade unions

Around 20,000 small and big labour organizations of the country registered under the Trade Union Act, 1926. Five major central labour organizations of the country: Indian National Trade Union Congress (INTUC), affiliated to Congress, affiliated to BJP Bharatiya Mazdoor Sangh (BMS), All India Trade Union Congress (AITUC) affiliated to Communist Party of India, Centre of Indian Trade Unions (CITU) belonging to Marxist Communist Party (CPM) and independent organization Hind Mazdoor Union (HMS) . The proportion of the membership of trade unions in India is more than that of the rich countries like America (10%) and Britain (7%). In India, 15% of the total labour force is associated with labour organizations, but about 90% of the members of these organizations come from the organized sector. It is clear that these labour organizations represent only the workers of organized sector. That is why India lags behind the United States and Britain on the scale of participation in trade unions.

Labour organizations becoming irrelevant

These organizations have gained importance in the last three decades, not only in the western countries but also because of the different political parties regarding economic policies in different countries of the world during the last three-four decades. The difference has been narrowing continuously and the corporate sector has been tightening its grip on other national governments, due to which they have adopted a strategy to discourage strikes legally. Not only this, the leadership of these trade unions also showed more interest in securing their interests by giving preference to the corporate sector and management instead of giving importance to the labour and labour interests which affected their credibility and also, on the workers. Hold also. Unorganized workers as well as informal workers do not come under their concern. This is the reason that Indian labour organizations are going through a serious crisis of credibility and this crisis is an important reason for their expiry and its irrelevance which is a matter of concern, for that nation as well as for the workers as well as those labour organizations Too. Apart from globalization, it is also true that after implementing their agenda in one round, these labour organizations are left with no issues and they have failed to redefine their role, causing them to fight for survival.

Workers' organizations are once again relevant

In Western countries, especially in Western Europe, by pressuring the government to ensure education,

health, safe working conditions, unemployment allowance and pension, besides the minimum wage for workers. There has been success in getting it. However, the economic neo-liberalism of the 1980s and beyond made them marginal. The larger the truth is of western countries, the greater the truth of developing countries like India and India. However, the recent backlash against globalization and the rapid rise of right-wing nationalism against its backdrop reflects some of the frustration and frustration of these workers and indicates that once again these workers have become irrelevant Labour organizations are strongly needed. But, it is necessary that these trade unions understand the concerns and difficulties of the workers and stand up to the expectations of the workers, redefining their role in the changed times and changed circumstances. But, in light of the experiences so far, this does not seem to be going on far and wide. Today, the labour movement has a sense of leadership that has an understanding of the problems of the workers and who is willing to struggle to provide solutions to these problems with commitment to the workers instead of the associated political parties. Perhaps this is the reason that the credibility of these trade unions is zero in the eyes of the workers and that is why the media is not ready to give them any consideration. By the way, one important reason for this is the tightening of corporate houses on the media.

In short, the erosion of labour organizations from its roots and the credibility crisis in its background is a problem not only of India but also of workers in developed countries. The problem of workers in developed countries is slightly different from the workers of India, but in the backdrop of the economic crisis of 2008-09, the basic issues related to labour have once again become relevant. Therefore, these organizations today need a leadership that can expose the government's strategy of weakening the labour resistance by organizing the organized and unorganized sector workers against each other and this will be possible only when they are in their agenda Issues and concerns related to the interests of the workers in the unorganized sector should also be prominently highlighted, so that they can gain the confidence of the workers of the unorganized sector.

CONCLUSION

This does not mean that there is no need for labour reforms or there should not be labour reforms in the country. Of course, unhelpful and irrelevant labour laws should be changed because without changing them it will not be possible to convert India into a manufacturing hub and without doing so it will not be possible to exploit the potential created by demographic dividend. It is only meant to say that such labour interest and social security should not be at the cost of the networks. The objection is not due to change; the objection is to

the motives hidden behind the change. There is a need to ensure a balance between labour and corporate interests in labour reforms. If labour-interests are being adversely affected due to necessary changes, an alternative mechanism has been introduced to counterbalance it and ensure the protection and promotion of labour interests. Every time why such groups of society are expected to pay the price in the name of national interest and development, why should they pay the price again and again, and to what extent it is reasonable to expect such from them, these are the questions that need answers. In fact, India today is in dire need of such labour laws that protect and enhance the interests of both workers and factory owners.

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