

A STUDY OF LABOR LAWS WHICH ARE RELATED TO WORKING CONDITIONS AND ITS IMPLEMENTATION IN SMALL SCALE INDUSTRIES

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ABSTRACT

Work-related safety, health and welfare have become importance issues in present competitive era. In India the reform in respect of labour and its working conditions has been slower in comparison to other fast moving developing countries. Labour legislation on working conditions needs to be more reactive and more comprehensive to develop Indian firms more efficient and competitive. The challenges for law making bodies are how to make Indian labor force more competitive with maximize social security and welfare for labour work forces. International Labor Organization has issued some specific guidelines for work-related safety, health and welfare. There are so many acts which belong to labour legislation like Factories Act, 1948, The Trade Unions Act, 1926, Employees' Compensation Act, 1923, The Code On Wages, 2019, Contract Labour Act, 1970 etc. The main aim of legislation is a constant improvement in working conditions of the labour. Legislation like Factories Act 1948 which regulates specifically work-related safety, health and welfare provisions is to improve working conditions in manufacturing unites. It imposed the responsibility on the managements to implement an effective work-related safety, health and welfare policies. In this paper a study is done on the importance of work-related safety, health and welfare policies and practices. Role of legislation in improving working conditions is also discussed. The study is conducted among various organizations' shows that some important elements which have a bearing effective on health and safety and welfare management are missing or also not up to the mark.

Keywords: *Work-related safety, health and welfare, ILO, Factories Act, 1948, The Trade Unions Act, 1926, Employees' Compensation Act, 1923, The Code On Wages, 2019, Contract Labour Act, 1970, Labour legislation.*

INTRODUCTION

In the era of Human Resource Management (HRM) where the developed countries are emphasized on the concept that “*Happy workers are more Productive*” and their legislation provisions are properly amended according to need but in India workers are still exploited

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and the reform in respect of labour and its working conditions has not been up to the mark. Workers, trade unions and management are three pillars of any industry and good industrial relation is the key of success for any country. Idyllically legislation like Employees' The Code On Wages, 2019, Contract Labour Act, 1970 'Industrial Dispute Act', 'Standing Order Act', 'Trade Union Act', 'Factories Act' and reform in their regulations seeks to bring the closer and move towards the path of success across the different sectors of the industry. This will help to the country for their social economic development but in reality the law and its provisions are too old, outdated or extra idealistic that cannot be content in practice. If the laws are not meeting its purpose then its existence is in vain. Labour legislation has to be amended according to present need and complex situation. The Indian labour legislations are partly outdated and not be able to cope up with globalizing world. It has been increasing demand for reform in labour legislation in order to increase efficiency and productivity. Because of Globalization and potential market the economy of India has been quite strong over the recent years and it is bringing about major changes in working environment so that work-related safety and health and welfare of workers cannot ignore against those changes. In this context, the greatest challenge for the country is the transformation of the difficulties which is involved in adapting to the new situation into opportunities for the future development of occupational safety and health and welfare. (ILO) Managements are adopting various management standards for having a better visibility to their Occupational. An initiative taken by International Labour Organisation (ILO) to improve work-related Safety and Health conditions but various available management system and practices, legislation are component of an effective OHS policy and their importance in improving the OHS performance But the survey indicated that, though it is a statutory obligation, many of the organizations have not fully complied with the requirements of framing an effective OHS policy and communicating the same to the stake holders because of lacuna in our law implementation system. In the small scale industry large number of workers is unorganised and there are many acts which are implemented only on organised work force like Trade Unions and other registered workers association and only they may think fit for collective bargaining and workers participation in management (WPM). In the factories act there must be 10 or 20 workers employed then this act will be implemented. In the Employees' Compensation Act, 1923 the amount of compensation are very less in all different conditions ,The formula of getting cost of living index is not as according dearness and the duration must be lesser then five year of review committee as mentioned in The Code On Wages,

2019, ‘Industrial Dispute Act’ concelation procedure is taking to much time same problem with ‘Standing Order Act’, an In the compensation so this study can be useful for unorgenised workers of small scale industries.

CLASSIFICATION OF LABOUR LAWS IN INDIA

There are some specific laws which are related to Industrial relations i.e. Trade Unions Act, 1926 objective of the act is to provide the registration of Trade Union and in certain respects to define the law relating to registered Trade Unions. One more law which provides code of conducts and general rules on the basis of mutual agreement that is Industrial Employment Standing Order Act, 1946. The Code On Wages, 2019 is related to wages. The objective of this code is to regulate the payment of wages of certain classes of employed persons, payment of minimum wages to employed persons without any unauthorized deductions. It also includes payment of bonus. This code is passed by parliament in 2019.

Legislation like Factories Act 1948 which regulates work-related safety, health and welfare provisions to improve working conditions in manufacturing unites. The Factories Act, 1948 imposed some obligations on employer to ensure health, Safety and Welfare of workers there is also specific provision about Working Hours, Overtime of Adults Employment of Young Persons and Annual Leave with Wages. Some more act are there related to Working Hours, Conditions of Service and Employment such as Plantation Labour Act, 1951, Mines Act etc.

THE PROBLEMS OF WORKING CONDITIONS

Pertain to long working hours, forced overtime without remuneration, inadequate breaks, and high work pressures and lack of work-life balance. It also examines the scope for reforming the legislations in order to meet the standards of working conditions required in any civilized society from the perspectives of factory workers, call centre agents and trade unions and identifying opportunities for giving impetus to competitiveness of business organization by making the legislations less cumbersome, business oriented and less prone to labour politics, from the perspectives of business associations and government. Researcher want to specify that in this paper a study is done on the importance of work-related safety, health and welfare policies and practices. Role of legislation in improving working conditions is also discussed. The study is conducted among various organizations’ shows that some important elements which have a bearing effective on health and safety and welfare management are missing or also not up to the mark.

REVIEW OF LITERATURE

Literature survey indicates that there is a reformation of labour legislation related to working conditions and it's impact on small scale industries in Indore district is not up to the mark.

Perupiotte (1996) observed that labour legislation is quickly growing in order to take into account the impacts of technologies on working conditions and on human resources within firms. Traditional law, protecting the worker, is modernized in order to be more pre-occupied by today's employer's requirements and constraints concerning the hiring, redundancy, working hour's management and Wage earner's status.

Gill (1999) took the traditional view and observed the moment trade unions are not displaying capacity to meet the challenge of attempt to review labour legislation, therefore bold and new initiatives are needed to enable them to play their historical role to build just and humane society for working people.

Upadhyaya (2003) he points out that although The Factories Act, 1948 makes very elaborate and unambiguous provisions regarding the minimum welfare (also health and safety) standards to be followed, but laying down the standards alone is not enough. It is also to be ensured that these provisions are actually implemented. He found that facilities for first aid, washing, canteen, refreshment/tea, annual holidays, and intervals of rest were satisfactory; ambulance and lunch room facility were found to be inadequate in terms of implementation, provisions relating to welfare officer and storing and drying clothing were not found to be implemented even in a I The problems of working conditions pertain to long working hours, forced overtime without remuneration, inadequate breaks, high work pressures and lack of work-life I balance. Single unit covered under the study, none of the selected units had any provision for appointment on compassionate ground, majority of the respondents were working for more than 9 hours a day (average 10 hours of working per day). Interestingly, no child labour was employed.

Pierre and Scarpetta (2006) drawing from in time surveys of firms around the world compared employer's responses with actual labour legislation and found that employer's concerns about labour regulations are closely related to the relative stringency of labour laws. Medium and large firms, as well as innovating firms, were those most negatively affected by onerous labour regulations.

Deb, Tapomoy (2007),” Reforming Labour Legislation on Working Conditions for Competitive Advantage: He also recommended that trade unions also need to come out of the shackles of historic mindset which believes that employers are the adversaries of the working class. Relying too much upon a third party like government will only increase their weakness to political maneuvering. Business associations should themselves act as a regulatory body for their members so that employers are persuaded to improve working conditions in their respective firm. These resident factory inspectors should upload compliance status of working condition regulations in their firm's website on voluntary basis. Engagement of women in night shifts should be allowed in all the industries subject to satisfactory safeguards. Our law makers must look beyond the income-employment. Security paradigm which seems to have made employment or terms of employment more important than the conditions of employment. Audit of working conditions must be laid down in the statute book which shall be conducted by a reputed and independent body having specialized knowledge of a particular industry and well aware of safety, health and welfare aspects.

Bhavani and Bhanumurthy (2007) in their study observed that they emphasized that it is essential to revamp complex and comprehensive labour legislation to further competition.

Papola and Pais (2007) resonates the same sentiments when they argue that reforming labour laws has become necessary to make Indian industry efficient, cost effective and internationally competitive in the face of globalization.

Sahu (2008) says that besides rationalization of labour laws, emphasis must be given on the improvement of labour administrative machinery.

Advocate Kumar (2009) observes that "it is true that existing labour laws in India cannot be changed or removed by a as it could be easily done in China but the fact lies that unless the laws are changed drastically, it would not be possible to obtain desired results. Continuing to 'protect' a small aristocracy of industrial labour means hurting the prospects of prosperity for the mass of India's labour. It is time to repeal this imperial legacy." Thus, reforming labour legislation on working conditions is imperative for us in order to meet the demands of modern industrializing society.

Occupational Safety and Health Management has gained importance with the advent of OHSAS 18001 and ILO guidelines these guidelines aim at continual improvement in working conditions. Defining Health and Safety policy is an important and first step in evolving an

effective Health and Safety Management System. Legislation like Factories Act 1948 which regulates working conditions in manufacturing facilities have also cast the responsibility on the managements to announce and implement an effective Health and Safety Policy.

OBJECTIVES OF THE STUDY

The study aims to achieve the following objectives:

1. To study and review various legal provisions relating to health, safety and welfare.
2. To study about which are the labour laws that need to be amended?
3. To provide suggestion that how to improve enforcement / implementation of labour laws in SSI?

RESEARCH METHODOLOGY

The Study: The present study is an investigation to examine and evaluate the Labor Legislation Reforms which are related to Working Conditions of Labors and Its Impact on Industries

Study Period: The research study will be conducted between Mar, 2019- February 2020

Data Collection: The basic foundation of the study is based on the Primary sources of information are subjected to face-to-face interviews with the help of structured questionnaire.

Area of Study: This study is based on the feedback taken from workers association and employer's associations. The views of trade unions, employer's associations, government through (MSME) and practitioners through secondary sources were examined before finalizing the research questions. We collect the secondary data regarding amendments in different labour laws. Other information of secondary sources is collected through research papers, conference papers, web documents and books etc.

Sample Design-Study has conducted on hundred respondents through Simple random sampling.

Data Analysis: The analysis of data will be done by using appropriate statistical tools. The data collected will be analyzed through SPSS software.

FINDINGS

Although in The Factory Act–1948 and some other laws there are clear provisions regarding standard norms and provisions about health, welfare and safety but in practice those standers are not followed by industries in India.

As per the new concept of HR and Human Rights, human is the most valuable asset for the organization and he/she should not be treated as machines in the factories.

Reformation of labour legislation has been done in the shape of amendments in basic Act but they not properly implemented study can be useful for future reformation and amendment.

Table No 5.1 Precautions regarding health of workers in the factories

SSI Workers	Frequency	Percent	SSI Owners	Frequency	Percent
Very Satisfied	0	0	Very Satisfied	5	50.0
Some What satisfied	10	10.0	Some What satisfied	4	40.0
Neither Satisfied Nor Dissatisfied	36	36.0	Neither Satisfied Nor Dissatisfied	1	10.0
Some What Dissatisfied	44	44.0	Some What Dissatisfied	0	00.0
Very Dissatisfied	10	10.0	Very Dissatisfied	0	00.0
Total	100	100.0	Total	10	100.0
Mean	3.5400		Mean	1.6000	
Std. Deviation	0.80929		Std. Deviation	0.69921	

Source: As Computed by Researcher

If we glimpse over the data shown in table no 5.8 that 10 percent of the workers were of the viewpoint that they are only satisfied with the safety measures taken in the factory regarding their health. Around 36 percent of the workers are neutral and 44 of them are fully dissatisfied with the above statement. Overall, more than 54% of workers are dissatisfied with the above statement.

On the other hand, more that 90% of the Owners were stated that workers are satisfied with precaution, which would be taken in factory regarding their health. Only 10 percent of owners did not give any comment on the same. It is shown in fig no. It is inferred that mean health of workers is 3.54 and that of owner is 1.6. The Standard deviation is more in case of SSI owners than that of workers.

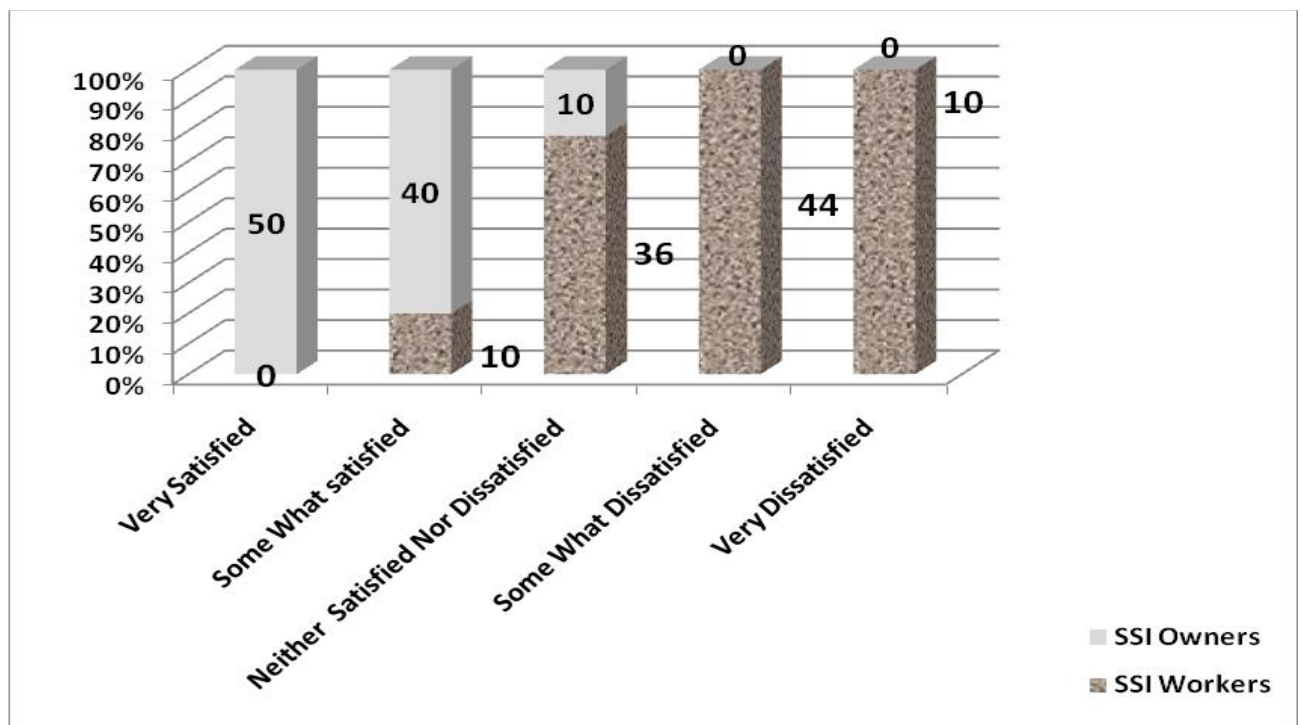


Table No 5.2 Precautions taken against activity which may affect your body or health

SSI Workers	Frequency	Percent	SSI Owners	Frequency	Percent
Very Satisfied	3	3.0	Very Satisfied	0	0.0
Some What Satisfied	31	31.0	Some What Satisfied	9	90.0

Neither Satisfied Nor Dissatisfied	35	35.0	Neither Satisfied Nor Dissatisfied	0	0.0
Some What Dissatisfied	22	22.0	Some What Dissatisfied	0	0.0
Very Dissatisfied	9	9.0	Very Dissatisfied	1	10.0
Total	100	100.0	Total	10	100.0
Mean	3.0300		Mean	4.1000	
Std. Deviation	1.00960		Std. Deviation	0.31623	

Source: As Computed by Researcher

From safety point, precautions must be taken against activity, which may affect body or health of workers. The responses of workers are as follows: Around 33% are satisfied, 35% are neutral and 32% are dissatisfied. From the owners point of view majority (90%) are satisfied and stated that precautions must be taken for safety of workers. This would help the workers preventing from any accidental incident. Only 10% of owners are not satisfied. This concluded that one out of 10 owners do not take precautions for workers.

The mean precautions of SSI workers are 3.0300 while that of SSI owners is 4.100. While the standard deviation is of SSI worker is maximum than that of SSI owners.

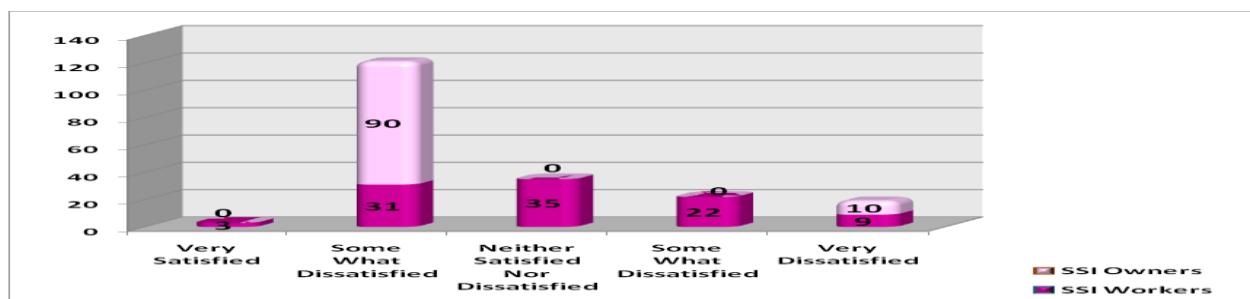


Table No 5.3 Precautions regarding safety of workers in the factories

SSI Workers	Frequency	Percent	SSI Owners	Frequency	Percent
Very Satisfied	0	0.0	Very Satisfied	1	10.0

Some What satisfied	7	7.0	Some What satisfied	4	40.0
Neither Satisfied Nor Dissatisfied	17	17.0	Neither Satisfied Nor Dissatisfied	4	40.0
Some What Dissatisfied	57	57.0	Some What Dissatisfied	1	10.0
Very Dissatisfied	19	19.0	Very Dissatisfied	0	0.0
Total	100	100.0	Total	10	100.0
Mean	3.8800		Mean	2.5000	
Std. Deviation	0.79493		Std. Deviation	0.84984	

Source: As Computed by Researcher

The above table examines the safety measures, which is taken against the workers in the factory. More than 70% of workers advocated that they are not satisfied with the safety measures. Around 17 percent did not comment on the same while 7 percent are satisfied. Alternatively, out of the sample size of 10 SSI owners, more than 50 percent SSI owner reported that workers of the small-scale units are satisfied with the precaution regarding safety of workers. Around 40% remained neutral and rest of them were dissatisfied with the above statement

The mean value of SSI workers is lower and standard deviation is higher than that of SSI workers.

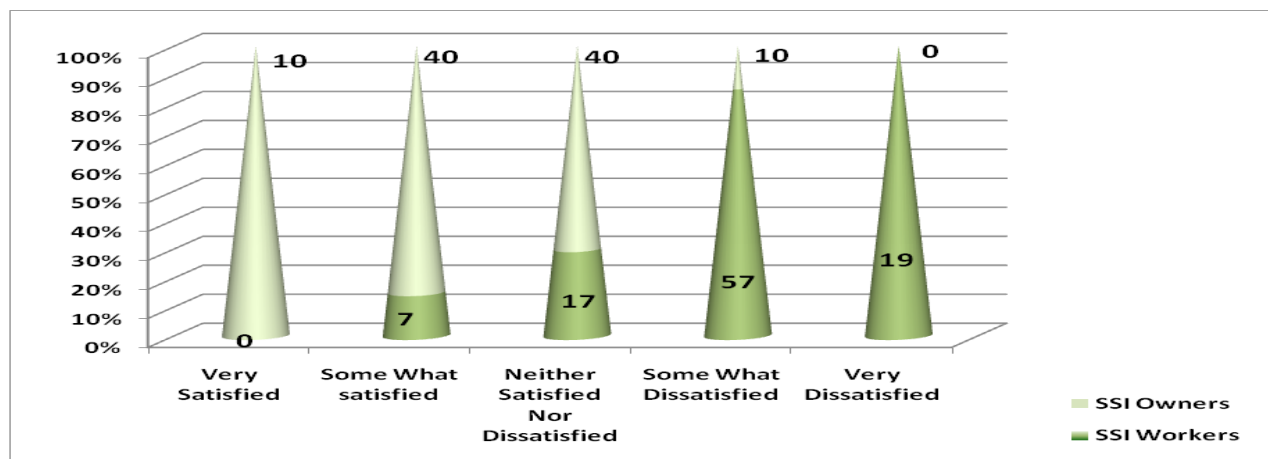


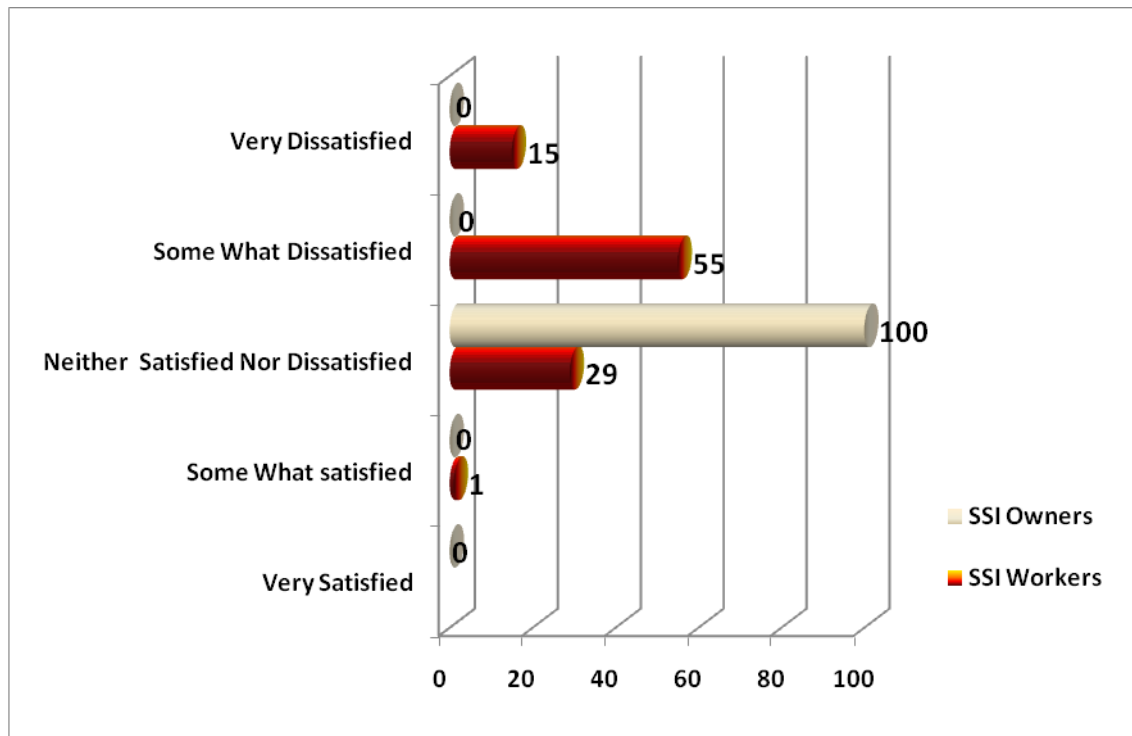
Table No 5.4 Policy and provisions regarding welfare of worker in the factories

SSI Workers	Frequency	Percent	SSI Owners	Frequency	Percent
Very Satisfied	0	0.0	Very Satisfied	0	0.0
Some What satisfied	1	1.0	Some What satisfied	0	0.0
Neither Satisfied Nor Dissatisfied	29	29.0	Neither Satisfied Nor Dissatisfied	10	100.0
Some What Dissatisfied	55	55.0	Some What Dissatisfied	0	0.0
Very Dissatisfied	15	15.0	Very Dissatisfied	0	0.0
Total	100	100.0	Total	10	100.0
Mean	3.8400		Mean	3.0000	
Std. Deviation	0.67749		Std. Deviation	0.00000	

Source: As Computed by Researcher

The above table exhibit that maximum number of workers are dissatisfied with policy and provision regarding their welfare. Around 70% of workers are dissatisfied and only 1 percent is satisfied. It could be observed that owners remained neutral and are neither satisfied nor dissatisfied. This indicates that policy and procedures made for the welfare of workers are not flexible.

The mean and standard deviation of SSI workers is higher than that of owners.



SUGGESTIONS AND RECOMMENDATIONS

Enforcement of law is depending upon men force or enforcement officer but at present ratio of men force or enforcement officer is very low so that government should take an initiative to recruit professional experts in the field of labour administration. Government should also take an initiative to establish some more fast track courts and redressal mechanism. Trade unions, Collective bargaining process should adopt for resolution of labour disputes. The heavy penalties should be imposed according to the seriousness of offence. There can be a provision to change it through rules rather than amendment of Acts.

CONCLUSION

This study is based on labour legislation and it's amendment related to working conditions of SSI and it's Impact on Small Scale. Labour legislation seeks to regulate the relations between employers and their workman and also trying to improve the working conditions of workman who worked in SSI but The law reformation in respect of small scale industry's labours has been not unto the mark. The labour legislation on critical point of stage but not satisfactory in respect of faster growing small scale industries of the country, so the labour laws which are related to SSI must be more responsive All the concern parties of working condition regulations I.e. workers trade unions employers' associations government and law making bodies are in favour of reforming labour legislation on working condition but for different

reasons. Workers trade unions want better safety, health and welfare measures, employers' and employers associations want to rationalize them for improving competitiveness of their firms. Government and law making bodies have their own broader view for the working conditions but it is challenging for the government and law making bodies to strike a balance between equity and efficiency. They need to reform the labour legislation on working conditions in such a way that interest of workers and employers as a class will be protected up to the maximum extent. The safety and welfare facilities in small scale industries of Indore are not adequate even there is no any safety and welfare officer for taking care of those facilities. Although the factory act is there and the safety, health and welfare measures are properly mentioned in the act but the proper implementation of those provisions are not yet applicable on working conditions of SSI.