

HC 01, MBA –III Semester,
Unit: 1
Topic: Labour Policy of India
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Labour Policy of India

Labour policy in India has been evolving in response to specific needs of the situation to suit requirements of planned economic development and social justice and has two fold objectives, namely maintaining industrial peace and promoting the welfare of labour.

Labour Policy Highlights

- Creative measures to attract public and private investment.
- Creating new jobs
- New Social security schemes for workers in the unorganized sector.
- Social security cards for workers.
- Unified and beneficial management of funds of Welfare Boards.

- Reprioritization of allocation of funds to benefit vulnerable workers.
- Model employee-employer relationships.
- Long term settlements based on productivity.
- Vital industries and establishments declared as `public utilities`.
- Special conciliation mechanism for projects with investments of Rs.150 crores or more.
- Industrial Relations committees in more sectors.
- Labour Law reforms in tune with the times. Empowered body of experts to suggest required changes.
- Statutory amendments for expediting and streamlining the mechanism of Labour Judiciary.
- Amendments to Industrial Disputes Act in tune with the times.
- Efficient functioning of Labour Department.
- More labour sectors under Minimum Wages Act.
- Child labour act to be aggressively enforced.
- Modern medical facilities for workers.

- Rehabilitation packages for displaced workers.
- Restructuring in functioning of employment exchanges. Computerization and updating of data base.
- Revamping of curriculum and course content in industrial training.
- Joint cell of labour department and industries department to study changes in laws and rules.

Factors Specific to India

The factors discussed above are the general factors influencing the shape of labour legislation. There are specific factors, peculiar to India which has influenced labour legislations.

Influence of colonial rule

Most of the early labour legislation came into being because of the pressure from the manufacturers of Lancashire and Birmingham; because labour employed in factories and mills in India were proving very cheap in comparison to their British counterpart. No doubt, these legislations were beneficial to Indian labour but this benefit was incidental to the main purpose, i.e. the protection of the interests of British Capitalists.

The British Civil Servants carried with them the British tradition of democracy and pragmatism. The Workman Compensation Act, 1923, the Indian Trade Unions Act, 1926, the Payment of Wages Act, 1936 etc. followed British pattern

The struggle for national emancipation and adoption of Indian Constitution

The Industrial Workers got support from the freedom struggle and nationalist leaders who made tireless efforts to get protective labour legislations enacted. The Indian Trade Unions Act, the appointment of Royal Commission on Labour etc. was because of pressure from freedom struggle. The leaders of the national movement had promised the establishment of a better and just social order after independence; which was ultimately embodied in the Preamble, Fundamental Rights and Directive Principles of State Policy of the Indian Constitution.

We have plethora of labour legislations immediately after independence :

- The Factories Act, 1948
- The E.S.I. Act, 1948
- The Minimum Wages Act, 1948
- Mines Act, 1952 z Employees P.F.& Miscellaneous Provisions Act, 1952
- Plantation Labour Act, 1951
- Payment of Bonus Act, 1965