

EREF2 Labour Situation in India
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Labour in India



Nation of >1.3 bn people

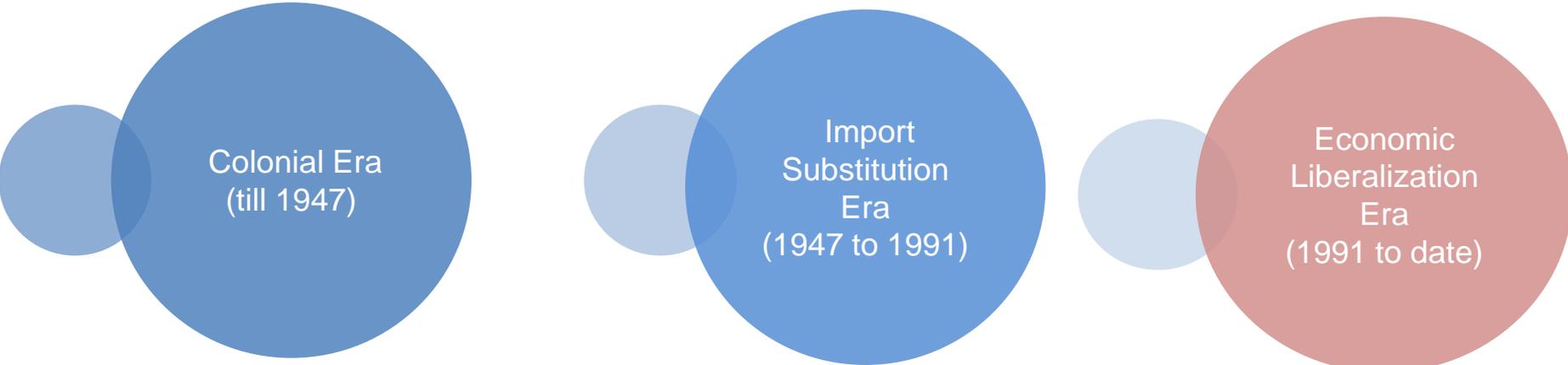
Average age <30 years

Workforce of ~501 mn

**~41% in Agriculture,
26% Industry,
33% Service**

**>90% in informal /
unorganized sector**

Evolution of Labour Situation



Colonial Era (till 1947)

- Dependency on foreign rule & their priorities.
- Labour fighting for basic rights & were active participants of freedom movement.
- Limited scope for private entity to be part of industry

Import Substitution Era (1947 to 1991)

- Diversification under the government's industrialization strategy
- Domestic industry was protected.
- Multiple Labour Laws enacted

Economic Liberalization Era (1991 to date)

- Economic liberalization, privatization, drastic change in the mind set of labour, management and government.
- Opportunity to re-think Labour Laws

Focus of Government Policies

To Date

- Improving the conditions of labour and their welfare
- Prevention & settlement of industrial disputes to avoid disruption of industrial activity
- Encouraging workers' participation in management

Future Outlook

- Facilitating the growth of enterprise and entrepreneurship and aligning labour policies with economic policies
- Improving ease of doing business
- Minimum amount of interference through government agencies – shift from control to facilitation
- Digitisation
- Achieve Make in India

Need for Labour Law Reform



More than 100 State and Central Laws regulating Labour issues

Challenges faced by organizations :

- Compliance arduous , time & cost intensive
- Multiplicity of definitions regarding the same terms for e.g.: wage requiring compliance with all definitions for business continuity
- Discourages external investors and foreign companies

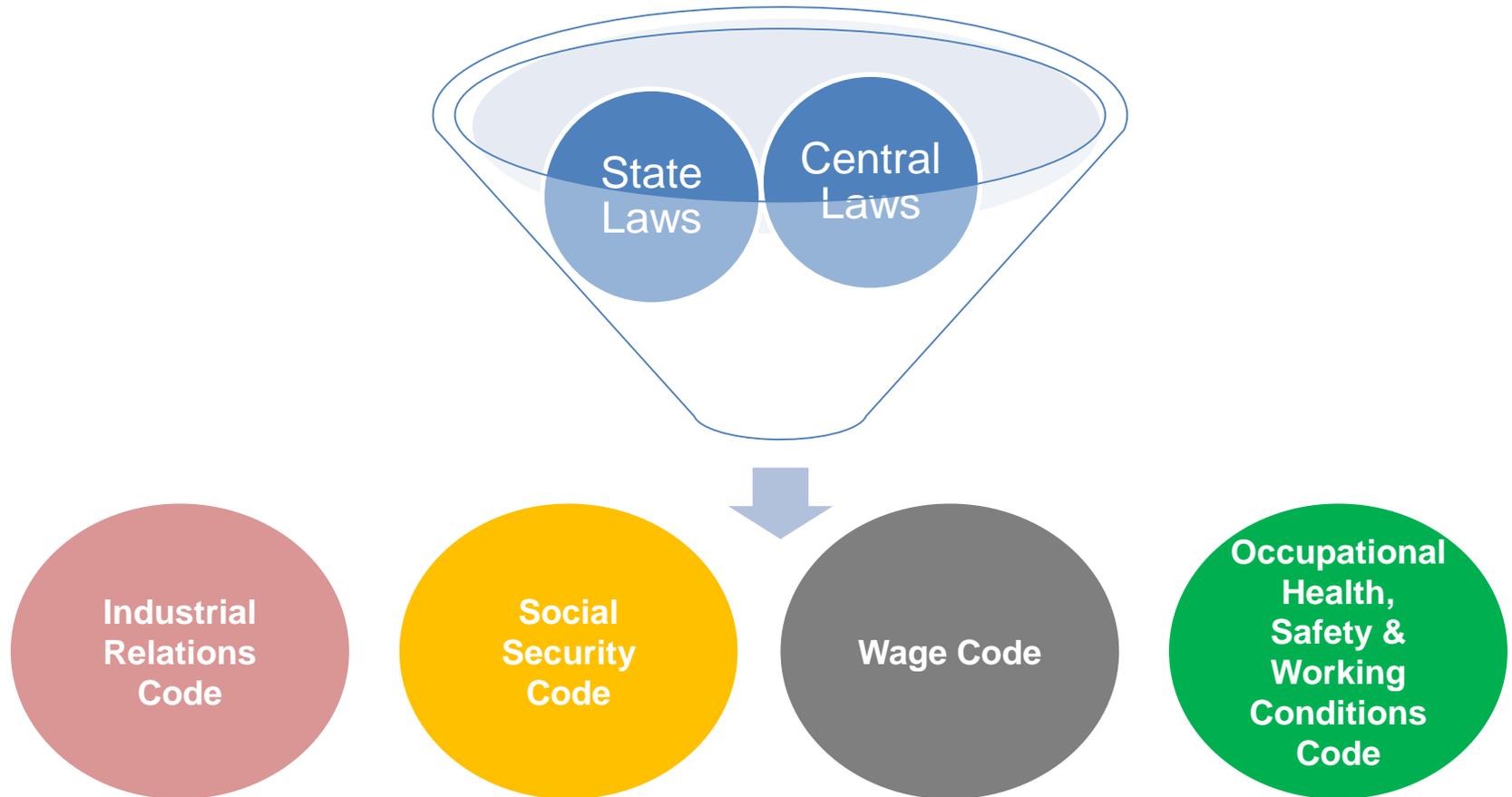


Challenges faced by labour :

- Benefits and social security for different categories of workers
- Settlement of dues after separation

The New Labour Codes

Effective 1st April 2021, 4 Labour Codes to be implemented in India



Key Shifts

Ease of doing Business

From	To
Minimum wages decided separately by State & Central Government	Central Government to declare National Floor Minimum Wage for all employment
Notice of strike required to be given in Public Utility Services (PUS) only	Notice of strike mandatory in all establishments.
Multiplicity of unions in organisations	Union having $\geq 51\%$ - sole bargaining agent; not required to negotiate with others.
Restrictions on employment of women in night shift	Women entitled to be employed in all types of work, and with their consent during night shift
Permission of government required for Closure, Lay-off & Retrenchment in case no. of workers at the unit are 100 or more	Permission of government required for Closure, Lay-off & Retrenchment in case no. of workers at the unit are 300 or more

Key Shifts

	From	To
Labour Welfare	Limited employment benefits for individuals in Fixed Term Employment (FTE)	FTEs can raise disputes, receive salary and benefits at par with regular employees and are eligible for gratuity in proportion to period of employment
	Dated definitions of types of workers, recognition of gender	Inclusivity of laws : recognition of Gig Workers, Platform Workers, Transgenders
	Contractor responsible for payment of bonus to contract labour	Principal Employer also responsible for payment of minimum bonus to contract labour if not paid by contractor
	Limited social security for unorganized / informal workers	Expansion of eligibility for social security benefits in unorganised/ informal sector

Stepping into the New Normal of Work



Remote Working
Virtual Collaboration
Gig Workers



Maintaining
Human
Connect in a
Digitally
Connected
World



Employee
Well-being

HR Participation in
Business Continuity



Arigatou gozaimasu.

ありがとうございます

