

**Notes to TYBA in the subject of Industrial and Labour Economics (Sem-6)
2019-20**

Module-I : Indian Labour Market

- Characteristics of Indian Labour Market
- Child Labour and Female Labour - Problems and Measures
- Globalisation & Indian Labour Market
- Labour Market Reforms
- Exit Policy and Need for Safety Nets
- Second National Commission on Labour

1. Characteristics of Indian Labour Market

- Disguised Unemployment
- Absentism
- Migratory character
- Casual Workers Shortage of Skilled and efficient workers
- Age Structure- More younger people
- Labour Force Participation rate- More Males

2. Child Labour and Female Labour - Problems and Measures

i) Causes of Child Labour:

- Poverty
- Cheap Labour
- Nimble fingers of children
- Unemployment among adults
- Agricultural economy
- 6.Joint family system
- Ancestral Business

ii) Consequences

- Crimes
- Low Wages to workers
- Physical effects on children
- Mental effects
- Illness
- Injuries to children of hazardous activities

iii) Measures

- Child Labour Regulation and Prohibition Act 1986
- NGOs' contribution
- Other government measures

3. Problems of Women workers

- Low work force participation rate
- Temporary or Marginal nature of work
- Threat of displacement
- Gender bias
- Exploitation in unorganized sector
- Low wages
- Migration
- Sexual harassment at workplace

3. Globalisation & Indian Labour Market

4.Labour Market Reforms

- Exit Policy
- Need for Safety Nets

6.Second National Commission on Labour

i) Objectives :

- To rationalize labour laws and review labour legislation in organized and unorganized sectors.
- To adapt to the changing economic environment i.t.o. working conditions, globalization, liberalization
- To develop international competitiveness
- To ensure protection and welfare to workers
- To improve social security

ii) Existing labour laws should be regrouped into those on

i) Industrial relations, ii) Wages, iii) Social Security, iv) Improvement in working conditions, v) safety and vi) Welfare

Others

- 1) Recognition to Trade Unions (Compulsory for units having more than 300 workers,
- 2) Organised Sector (more than 20 workers)
- 3) Minimum Wages and D.A
- 4) Strikes and Lockout (Majority should be in favor of it)
- 5) Essential services like water supply, sanitation and electricity – no industrial disputes
- 6) Workers Participation in Management (compulsory for units with more than 300 workers)

Module-II : Trade Unionism

- Definitions and Functions of Trade Unions
- Historical Evolution of Trade Unions in India and their present status
- Problems of Trade Unions in India
- Role of Outside Leadership

1. Definition :

By Beatrice Webb – Trade Union is a “Continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives.

2. Functions of Trade Union :

- ▶ Basic Function (Improve collective strength)
- ▶ Economic Function (monetary gains, insurance etc)
- ▶ Welfare Function (sports, cultural, education, training etc)
- ▶ Legal Function (Legal protection, labour tribunal)
- ▶ Political Function (positive role of political parties)

3. Problems of Trade Union

- Restricted functioning (only for large sized firms)
- Exclusion of Unorganised sector
- Confined to the traditional role
- Centralised decision making and adhocism
- Low membership
- Fragmentation

Module-III : Industrial Relations

- Causes of Industrial Disputes & Their Settlement Mechanism
- Collective Bargaining- Concept, Features, Importance and Pre-requisites for Successful Collective Bargaining
- Collective Bargaining in India
- Workers Participation in Management- Concept, Objectives and Forms of WPM in India

i) Causes of Industrial Disputes

- Low wages
- Rising prices
- Linkage of D.A. and price rise
- Unsatisfactory working conditions
- Demand for leave with pay
- Resistance to misconduct of officers
- Demand for re-instatement
- Demand adequate bonus
- Non-recognition of trade unions retrenchment due to sophisticated machinery
- Political causes
- Misconduct of intermediaries

ii) Measures to solve industrial disputes

- ▶ Trade unionism
- ▶ Direct contact between workers and employers
- ▶ Conciliation boards
- ▶ Joint committees
- ▶ Tripartite committees

- ▶ Labour courts
- ▶ Industrial truce (declaration of NO Strike NO lockouts)

3. Collective Bargaining

Concept:

It refers to negotiations or dialogue between management and workers represented by trade unions

Pre-requisites:

- Parties must attain sufficient degree of organization
- Mutual Recognition (Must be ready to enter an agreement)
- Agreements must be observed and implemented

4. Workers Participation in Management

“The participation results from practices which increase the scope of the employee’s share of influence in decision making at different tiers of the organizational hierarchy with concomitant assumption of responsibility”

Objectives:

- Economic goal
- Social goal
- Psychological goal
- Forms :
- Information sharing
- Consultation
- Association of workers
- Joint decision making

Module-I: Labour Welfare and Social Security

- Concept, Theories and Principles of Labour Welfare
- Agencies of Labour Welfare
- Role of Labour Welfare Officer
- Social Security
- Social Assistance & Social Insurance
- Social Security Measures in India
- International Labour Organisation & Its Impact on Labour Legislation

1. Concept :

It is effort to make life worth living. This includes services, facilities and amenities to the workers for the betterment of his life.

2. Objectives :

Humanitarianism, social awareness, greater efficiency etc.

3. Theories of Labour Welfare :

- The Police Theory- Passing of laws relating to the protection of workers
- The Religious Theory- religious feelings make employers take welfare
- The Philanthropic Theory- love for mankind
- 4.Trusteeship Theory – paternalistic, moral conscience
- 5.The Placating Theory- labour groups becoming militant for their rights
- 6. The Public Relations Theory- goodwill between workers and management
- 7. The Functional Theory- for efficiency and productivity of workers

4. Principles of Labour Welfare

- Adequacy of wages
- Social responsibility of industry
- Efficiency
- Re-personalization
- Totality of welfare
- Coordination or integration
- Association or democratic values
- Responsibility
- Accountability
- Timeliness
- Self-help

5. Social Security Measures:

- **Definition :**

“The endeavor of the community as a whole to render help to the utmost of extent possible to any individual during periods of physical distress inevitable on illness or injury and during economic distress consequent on reduction or loss of earnings due to illness, disablement, maternity, unemployment, old age or death of working member”

The benefits or services are provided in three major ways : -

1. Social Insurance
2. Social Assistance
3. Public Service

- **ILO’s nine components of Social Security : -**

- 1) Medical Care, 2) Sickness Benefit, 3) Unemployment Benefit, 4) Old age Benefit, 5) Employment Injury Benefit, 6) Family Benefit, 7) Maternity Benefit, 8) Invalidism Benefit and 9) Survivor’s Benefit

