

**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
- 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) Recommendations of second National Commission on Labour

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

4. Outside leadership :

When leader of the trade union is not among the workers, it is called outside leadership.

Reasons for Outside Leadership ----

- a. Interest of Political parties
- b. Fear of Victimization
- c. Lack of educated personnel for trade union work
- d. Reluctance of employer to talk directly with workers
- e. Influence of outsiders

Disadvantages of Outside Leadership ;

- a. Less loyalty towards workers
- b. Less responsibility
- c. May not understand labour problems
- d. Problem of selfishness

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-IV: 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
- Trusteeship Theory – paternalistic, moral conscience
- The Placating Theory- labour groups becoming militant for their rights
- The Public Relations Theory- goodwill between workers and management
- 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. Agencies of Labour Welfare :-

Welfare work by the Central Government :-

A. Plan outlay

B. Coal Mines Labour Welfare Fund

C. Medical Facilities

Welfare Work by the State Governments :-

Welfare Work by the employers :-

Welfare Work by the Workers' Organizations :-

Welfare Work by the Municipalities :-

Welfare Work by the Social Service Agencies :-

6. Labor Welfare Practices in India :

- a. Sanitary and Hygienic facilities
- b. Rest facilities
- c. Eating & canteen facilities
- b. Health services
- b. Family Planning
- c. Creche
- d. Housing
- e. Transport facilities
- f. Recreational and Cultural facilities
- g. Educational facilities
- h. Cooperative Saving facilities
- i. Cooperative Credit Societies
- j. Personal Counselling
- k. Distress Relief and Cash benefits

7. Role of Labour Welfare Officer :-

In 1931, the Royal Commission on Labour recommended the appointment of a labor officer to eliminate the position and evil practices of jobbers who used to engage and dismiss labor

Role of Labour Welfare Officer :-

- To eliminate the evils of the jobber system instituted initially
- To develop and improve labor administration in mills
- To serve as a liaison with the State Labor Commissioner – where labor welfare officer was expected to function as a policeman and try to maintain law and order in an organization.

First labor welfare officer of the Bombay Government was recruited from the Indian Police Service

8. 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”

Social security means by which society provides its workers their basic needs of food, health care, child care, maternity care, old age support, housing and other locally defined needs.

Generally social security is neglected in informal sector. Economic security and social security are interconnected. Economic security is the primary means by which social security is obtained

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

1. Social Insurance-

Meaning- it is described as the “Giving, in return for contribution benefits up to subsistence level, as of right and without a means test, so that an individual may build freely upon it. Thus, social insurance implies that it is compulsory and that men stand together with their fellows.”

Features of social insurance-

- a. It is financed by monetary contributions of workers, employers and the state.
- b. The state and the employers make a major contribution to this fund, while the employees pay only a nominal amount as per their capacity to pay.
- c. These benefits can be used to ensure the maintenance of the beneficiaries’ minimum standard of living.
- d. Social insurance benefits are granted without an examination of an individual’s needs and without any means test, without affecting the sense of self-respect of the beneficiary.
- e. These benefits are so planned as to cover, on a compulsory basis, all those who are sought to be covered.
- f. Social insurance reduces the suffering arising out of the contingencies faced by an individual which he cannot prevent.

2. Social Assistance-

Meaning – it is provided as a supplement to social insurance for those needy persons who can not get social insurance payments, and is offered after a means test. social assistance programs cover such programs as unemployment assistance, old-age assistance, public assistance and national assistance.

Social security is a combination of the principles of social assistance and social insurance.

3. Public Service-

Public service programs constitute the third main type of social security. They are financed directly by the government from its general revenues in the form of cash payments or services to every member of the community falling within a defined category. This kind of public service is currently available in a number of countries in the form of national health service providing medical care for every person in the country, old-age pension, survivor's pension to every widow or orphan, and a family allowance to every family having given number of children.

9. International Labor Organization (ILO) –

ILO was created in the year 1919 after world war-I.

- a. Declaration is based on fundamental principles, viz., i) Labor is not a commodity, ii) Freedom of expression and of association are essential for sustained progress, iii) Poverty constitutes a danger to prosperity, iv) War against want requires to be carried on with unrelenting vigor by each nation, and by, a continued and concerted international effort in which representatives of workers and employers, enjoying equal status with those of government join in a free discussion, and democratic decisions are arrived at with a view to promoting the welfare of the common man.

b. Aims & Purposes of ILO :-

- i. To remove the hardships and privations of the toiling masses all over the world
- ii. To improve their living and working conditions as vital step towards the establishment of a universal and lasting peace based social justice
- c. ILO has a **tripartite organization** consisting of representatives of governments, employers and workers of member-countries in the ratio of workers in different countries.
- d. **The principal organs of the ILO** are....
 - i. The International Labor Conference
 - ii. The Governing Body and
 - iii. The International Labor Office

10. 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