

INTERNATIONAL JOURNAL OF LAW
MANAGEMENT & HUMANITIES
[ISSN 2581-5369]

Volume 6 | Issue 1
2023

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Social Security of Labour in India in a New Economic Reform

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ABSTRACT

Globalisation has numerous elements, and one of the most important is its impact on labour. Though it has a global impact, it is even more relevant in a developing economy like India. Workers' rights to social security are recognised in India's Constitution and other welfare legislation. However, with the Government of India's adoption of a new economic policy of liberalisation and privatisation, labour faces a new set of issues. They are posed primarily as a result of economic restructuring, which has impacted work relationships, as well as a growth in the unprotected informal labour force. This study aims to examine the new issues that have arisen in the workplace, the efficacy of existing labour-related social security measures in the current economic climate, and recommendations for ensuring workers' entitlement to social security in the trade regime.

Keywords: Social security, Globalisation, India.

I. INTRODUCTION

Given the importance of labour in all economic activity, developments in the economy should be closely monitored. The working class makes up a significant section of the population, and their contributions are geared toward the advancement of society. Given the importance of labour in all economic activity, developments in the economy should be closely monitored. In the past, India's economy was well-protected, with a high rate of restrictions and controls. In the past, India's economy was well-protected, with a high rate of restrictions and controls. During that time, there was still a segment of the working class that was not covered by these safeguards. As a result, the unorganised sector was mostly unregulated. After the 1991 implementation of the new economic policy, Indian society is almost free of various forms of protection and is now facing the difficulties of globalisation, privatisation, and liberalisation. In this new economic environment, a large portion of the labour force, both organised and unorganised, is subject to numerous unanticipated casualties. Some of the issues are immediate, while others are indirect. These policy shifts raise a number of fundamental problems. Is India's labour force mature enough to meet the challenges?

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In a mixed economy like India, the state is given the responsibility of regulating and controlling all economic activity within its jurisdiction in order to ensure the community's welfare. Economic development is the most basic measure of social progress; hence economic activities are prioritised in the country's governance. As a result, India has adopted and implemented an economic strategy centred on nationalism, industrialisation, and modernisation to defend indigenous industry during its development. This model is determined to be sufficiently broad to link the domestic market to the working class and manufacturers.

Due to sluggish output and class strife over higher pay, larger social benefits, and better working conditions, this system began to deteriorate by the end of the 1960s. These circumstances resulted in a profit squeeze on invested money. This resulted in the emergence of two schools of political economics, one disrupting all aspects of capitalist life and the other emphasising diverse types of response to systemic crises, both of which contributed to the globalisation of the money market. As a result, capital movements in the money market used to support government operations, and development projects cleared the way for foreign direct investment and cross-border transactions in the late 1980s.

Industrial operations are viewed as a social activity that satisfies societal requirements. All of these activities have become competitive as a result of globalisation. However, there has been a conflict between the objectives of free trade, global market efficiency, and competitiveness on the one hand and the rights of workers and social welfare on the other. When transnational capital enters the picture, it uses information technology to control the global market from any place. As a result, competition and tensions rise, posing a major threat to social welfare and labour.

II. THE CONSTITUTIONAL FRAMEWORK AND PHILOSOPHY: LABOUR WELFARE LAWS

Every citizen in India is guaranteed fundamental rights under the Indian Constitution. Article 21, which guarantees the right to life, is the most important. The Supreme Court has extensively analysed this Article and has always found that the right to livelihood is inextricably linked to the right to life. The ultimate goal of social security is to ensure that everyone has a means of subsistence. To put it another way, the right to social security is inextricably linked to the right to life.

Part IV contains the Directive Principles of State Policy, which are divine proclamations for the country's government. The specific clause dealing to social security can be found there. In India, labour policy must be fundamentally governed by it. In the Concurrent List, you'll also find

issues relating to social security. The State is obligated under Article 38 to work for the people's welfare by guaranteeing and safeguarding a social order that ensures social, economic, and political fairness. Article 39 (a) states that the state shall direct its policies toward ensuring citizens' right to an adequate means of subsistence, men and women alike; clause (d) stipulates equal compensation for equal work for both men and women; and clause (e) ensures workers' health and strength. Article 41 states that, within the limits of its economic capacity and development, the state shall make effective provisions to secure the right to work as a fundamental right with just and humane working conditions by suitable legislation or economic organisation, or in any other way in which the worker shall be assured of living wages, working conditions ensuring a decent standard of living, and any other way in which the worker shall be assured of living wages, working conditions ensuring a decent standard of living, and any other way in which the worker shall be assured of living wages.

The Constitution expresses deep concern for the welfare of workers, stating in Article 42 that the state shall make provisions for securing just and humane working conditions, and in Article 43 that the state shall Endeavour to secure, to all workers, a living wage, and working conditions ensuring a decent standard of living through appropriate legislation, economic organisation, or other means. In terms of labour issues, these constitutional clauses express the social philosophy. This is a socialist perspective that emphasises social justice, equality, and human dignity as cornerstones of social democracy.

III. SOCIAL SECURITY AND LABOUR WELFARE: INDIAN PERSPECTIVE

There are various labour laws in India that pertain to the welfare of the workforce, some of which were created during the British rule. Few such laws provide compensation when workers' earning potential is disrupted, such as in the case of injury, accident, layoff, lockout, retrenchment, or closure. Other laws are declaratory, stating rights such as the right to organise a union, the right to be free from exploitation, the right to equal pay, the right to minimum wages, and the right to maternity benefits.

Many statutes establish funds to offer planned housing, medical, recreational, educational, family welfare, and other welfare services. Furthermore, the government has established schemes and organisations to promote literacy and raise worker awareness of their rights.

There are a few laws in India that provide social security to workers that are, for the most part, in line with the International Labour Organization's Conventions and Recommendations, regardless of whether India has ratified the Conventions or not.

IV. ECONOMIC REFORM AND ITS IMPACT ON LABOUR AND EMPLOYMENT SECURITY

India's economic reforms have resulted in the formation of competitive markets. Budgetary assistance for public sector commercial firms has been drastically reduced as a result of fiscal stabilisation, exposing these businesses to increased competition from the private sector. Since 1991, the Indian economy has been shifting from a long-protected non-competitive output market to a more competitive output market by lowering wasteful capital and labour use.

Increasing competitive pressures, on the other hand, imply a move from the previous period's high margin-low volume setting to a high volume-low margin condition, with margins under constant pressure. This is intended to result in cost savings, improved quality, and increased production. Though this is wonderful news for customers, it is bad news for manufacturers and workers, as it calls for them to transcend old-style complacency. Trans-border competition will result from the removal of customs trade obstacles. Rapid expansion will result from these competitive factors. As a result, it is necessary to find a way for both capital and labour to move away from inefficient uses and toward more efficient, productive, low-cost, and higher-quality producing units.

During the pre-reform period, employment in the high-productivity factory manufacturing group grew at a pace of 53 percent per year, despite an 8.7% increase in manufacturing output. The pre-reform period's employment stagnation, despite a rise in industrial output growth, was determined to be due to a considerable increase in unit labour costs, as assessed by nominal wages deflated by output price. During the post-reform period, the situation was reversed. Product wage growth fell from 4.8 percent per year prior to the reform to 2.5 percent per year after the change. While government measures have had a major impact on wages in the organised sector, they have had essentially no impact on wages in the unorganised sector. To try to influence salaries in the unorganised sector, the government used the mechanism of statutory minimum wages. On the other hand, statutory minimum wages have had minimal impact on actual pay.

The main focus of the existing employment security system has been on preventing layoffs in major industrial facilities through legislative and administrative constraints. In fact, it has been impossible to confine the system's reach to just industrial businesses. At the very least, the system has protected industrial workers. In fact, the vast majority of the protected personnel work in government-controlled services. Over the last decade, the percentage of industrial workers that are covered has decreased. Industrial illness is on the rise, and many workers in

industries only have job security in principle. Employers' hunt for a way out has resulted in a higher reliance on temporary and contract workers. As a result of the increased emphasis on capital-intensive technology, industrial employment growth has slowed dramatically.

However, the slow rise of industrial employment is due in part to the job security system. The method effectively raised labour expenses above wage costs by making labour modifications difficult and costly. Higher labour costs also made capital more affordable, allowing capital intensity to expand.

V. GLOBALISATION AND PROBLEM OF INDIAN WORKERS

Globalization, it is said, will boost world trade and drive global economic growth, resulting in a significant increase in job possibilities. Higher growth rates are attained in India, but such expansion is capital demanding, and the market is dominated by profit-driven, labour-saving multinational corporations. In the last ten years, there has been no increase in the number of job opportunities. The desire for maximum profit inevitably leads to the commodification of labour.

The market necessitates that labour be subjected to demand and supply theory as well. Labour demand can be reduced by implementing more advanced, labour-saving technologies, lowering the cost of labour. As a result, benefits and labour costs for social security will be reduced. State interference in the market through subsidies is completely out of place under the globalisation system, and the market can use any strategy to reduce labour costs. The largest and fastest profits in the new market conditions come from areas such as communication and information technology, not from goods-producing businesses or service sectors that benefit the general public. These industries will never be able to give mass employment.

Can the 'laissez faire' economy be claimed to be stepping in while the state is withdrawing from many of its important functions? Has the hire-and-fire policy returned in the current industrial relations regime? These questions necessitate in-depth investigation. The working class, without a question, is a direct victim of globalization. Some sectors have made concessions to the change by forming partnerships with more powerful global actors, while others have formed a class that does not fit into the new structure. Labour is classified as a second-class citizen, and it is unavoidable that a remedy be found to protect them from the new obstacles.

VI. SOCIAL SECURITY: INTERNATIONAL LABOUR ORGANIZATION AND INDIA

The work of the International Labour Organization in the area of social security has been ground-breaking. Since its foundation, the ILO has been working to develop standards with the goal of expanding social security benefits to a bigger group of people in a wider range of

situations. The Philadelphia Declaration recognises the ILO's solemn commitment to promote among global nations programmes aimed at "extending social security measures to offer a basic income to all in need of such protection and adequate medical care."

In the realm of social security, the ILO, along with international and intergovernmental organisations, has been concerned about the coordination of national social security legislation. The International Labour Office is the secretariat of the International Social Security Association, which brings together government agencies, central institutions, and national social security unions from around the world. ILO establishes ideal standards for universal application in order to improve workers' working conditions and achieve social justice.

Conventions and Recommendations are the names given to these universal standards. In total, 22 conventions and 16 recommendations on social security have been enacted, and they are classed as follows: A. Instruments, B. Medical Care and Sickness Benefit, C. Maternity Benefit, D. Invalidity, Old Age, and Survivors Benefit F. Unemployment Benefits; E. Employment Injury Benefit; and F. Unemployment Benefits.

ILO is a non-governmental organisation dedicated to social justice, and India is a welfare state dedicated to the same purpose. India has always taken a supportive attitude toward international labour norms. The ILO instruments have offered "guiding principles and a useful framework for the development of legislative and administrative measures for the protection and advancement of workers' interests." India, on the other hand, has been slow to ratify ILO conventions on social security. However, legislation and administrative measures can be used to demonstrate effective implementation of the ILO Convention.

VII. CONCLUSION AND SUGGESTIONS

The influence of globalisation on local economies is one of the most pressing issues confronting communities in the twenty-first century. Globalization denotes a shift away from central planning and toward a free market economy, as seen in India. Approaches to economic reforms take on new significance in this environment. The IMF and World Bank advocate an accelerated strategy to immediate and drastic change that comprises rebuilding the economy through national economic integration, privatisation, decentralisation, and deregulation, as well as support for entrepreneurship and free market competition. The restructuring process is divided into three stages: first, a shakeout of the old economy through the elimination of unprofitable operations; second, the development of the private sector through the recruitment of excess labour made redundant by reforms; and third, the establishment of equilibrium and competition in the new system through market forces rather than government intervention.

The adoption of globalisation, liberalisation, and privatisation as part of economic changes has generated severe issues in India, due to the priority placed on welfare and socialist values. The immediate implications of dramatic reforms in India's economic development are undeniable. However, the fundamental impact of these reforms on the government is the extent to which it can balance its commitments under the Indian Constitution, particularly Part IV. The mere fulfillment of directions and duties under international treaties and agreements has resulted in a perplexing situation in which economic reforms and development are carried out in direct opposition to existing constitutional law and with no theoretical underpinning. As a result, "development itself interferes with human and societal development" has emerged.

The government has a greater obligation's guarantee that the benefits of globalisation are spread evenly, justly, and fairly. Simultaneously, it must be ensured that the new economic policies do not result in increased unfairness and inequality among the poor. The creation of new organisations and structures without the strengthening or renewal of existing systems would result in a great deal of uncertainty about the future. The same can be said for labour-related social security initiatives. As a result, one feasible answer is to ensure both economic development and social security for the workforce.

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