



Labour Reforms in India Implication on Ease of Doing Business and Rights of Workers

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With the enactment of three Labour Codes in this Monsoon session of Parliament, the trade unions and government have portrayed a contrasting picture on the relevance of these labour reforms. While the trade unions have termed these Codes as anti-workers legislations, the government and private sector have called this move as the game changer which will harmonize the needs of workers, industries and other related parties. The enacted Codes namely the Industrial Relations Code; the Occupational Safety, Health and Working Conditions Code and the Code on Social Security aim to allow industries flexibility in doing and running business, hiring and firing employees and regulating industrial strikes. Simultaneously, these Codes aim to promote fixed term employment and expand social security net for informal sector workers and gig workers. These Codes are the result of longstanding deliberation on labour reforms which was institutionalised through the constitution of Second National Commission on Labour by Atal Bihar Vajpayee’s government in 1999. This Occasional News Wrap on emerging views and news on Labour Reforms in India, highlights, among others, the potential pros and cons of these Codes in the context of ease of doing business and widening inequality between the stakeholders.

Article/Op-ed	Key Takeaway
<p>Labour codes reforms will help to build a future of work that is safer, fairer <i>By Sanjiv Bajaj</i> The Indian Express October 07, 2020</p>	<p>Considering the unpredictable fluctuations of the global market, there are many jobs where employees are required for a few months such as infrastructure projects, textiles and garments, food and agro-processing, etc. An adjustable framework is required for hiring workers that can adapt to the market changes. The contractual employment workforce is quite often exploited with respect to wages, social security, and working conditions as well as welfare facilities. Fixed Term Employment is an intervention to enable the hiring of employees directly instead of hiring through contractors, which will ensure flexibility.</p>

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<p>Labour reforms can help reshape India's growth trajectory <i>By Chandrajit Banerjee</i> The New Indian Express October 05, 2020</p>	<p>The passage of three labour codes in Parliament marked a milestone in this process and came after many years of consultations and discussions between the government, industry, trade unions and other stakeholders. In the last five years, India has seen several legislative reforms to boost employment generation such as the Shram Suvidha Portal, MUDRA (Micro Units Development and Refinance Agency), Startup India, Make in India, Skill India, digitisation of labour law compliances, etc. With the codes on wages, industrial relations, social security, and welfare and safety, a new environment for job creation is underway.</p>
<p>There is much in the labour codes that needs to be discussed and debated <i>By Ravi Srivastava</i> The Indian Express October 03, 2020</p>	<p>These three labour codes, along with the Code on Wages approved earlier, touch the lives of every Indian worker, except a tiny stratum of the public sector and managerial employees. In the name of codification, the Codes have implemented radical changes in the nearly century-old edifice of labour laws in this country. There is much in these Codes that needs to be discussed and debated. But the central touchstone is how, coming after the migrant crisis, and perhaps the greatest recession ever, they have treated the question of precarity. We might recall that in 2018, the government amended the Standing Orders on Employment Act and introduced the category of “fixed term” worker.</p>
<p>Labour reforms: Future-ready but devils of detail lie in states <i>By Gautam Chikermane and Rishi Agrawal</i> Observer Research Foundation October 03, 2020</p>	<p>The debate around the Codes has been largely in tune with India's parliamentary processes — the laws include 174 out of 233 recommendations of the three standing committees on labour. They put India on a faster and less hostile superhighway to growth. On the labour front, that future includes the gig economy, reduced compliances, and less paperwork. But finally, the devils of execution details will lie in the Rules that state governments will enact in their respective legislative assemblies.</p>
<p>Migrant workers need more attention <i>By Jawhar Sircar</i> The New Indian Express October 01, 2020</p>	<p>The Centre and state governments hardly have any updated records on who is a migrant worker and where exactly he/she is working at present. The well-meaning legislation of 1979, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, failed India rather miserably in its hour of crisis. We cannot blame only the government as these labour codes were finally screened and vetted by the multi-party parliamentary standing committee—but this was before Covid. Since inter-state migrants cannot vote in their guest states unless they are long-time residents, political parties may have lesser interest in these birds of passage.</p>

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<p>Promise and pitfalls of new labour deal <i>By Amir Ullah Khan</i> Livemint September 30, 2020</p>	<p>The new labour laws are meant to make doing business easier in India. Naturally, the industry has been lobbying for these amendments and they have gotten their way. Workers, meanwhile, have been urging caution, since major changes could leave them totally vulnerable. But the real question is: Will these new codes make any significant difference to India's diverse and complicated labour markets? In developing countries like India, labour has historically been unskilled, unempowered and immobile.</p>
<p>TUCI to intensify agitation against Labour Code Business Line September 29, 2020</p>	<p>Trade Union Centre of India (TUCI) has decided to intensify its agitation against Labour Code, saying that it was passed by the Parliament without proper discussions and even ignoring the possibility for polling. The central committee of TUCI said that the social security code, industrial relations code, the labour security and the health security code would draw the country back to a situation at least that of one hundred years back.</p>
<p>Labour Laws Perform a Redistributive Function. Diluting Them Has Serious Consequences <i>By Rashmi Venkatesan</i> The Wire September 29, 2020</p>	<p>While this has predictably provoked criticism from trade unions and activists, supporters of the reform argue that India's labour laws are remnants of an archaic past – ineffective for workers and unnecessarily burdensome on the employer – and therefore, are best dismantled. But for us to meaningfully engage with the debate on labour reforms, we ought to first ask – what do labour laws actually do, or what are they meant to do? What role do they play in an economy?</p>
<p>India needed labour law reform. Now implement them <i>By VS Pandey</i> Hindustan Times September 28, 2020</p>	<p>Any law made by the government needs to be implemented in letter and spirit by the system created for that purpose. One may call them inspectors or officials as per one's own way of looking at the environment around themselves. Success or failure of the law in achieving its objectives depends on the integrity, efficiency and level of commitment of the implementing agency towards performance of duty.</p>
<p>India's new labour codes fail migrant workers whose vulnerability was highlighted by lockdown crisis <i>By Divya Varma, Kavya Bharadkar and Raghav Mehrotra</i> Scroll.in September 27, 2020</p>	<p>The revised labour codes passed by Parliament could have been a valuable opportunity for the government to make amends and provide dignity and meaningful social security to the millions of migrant and informal sector workers who had endured severe calamity. Instead, the labour codes weaken protection and accountability in ways that are likely to jeopardise the future of this highly vulnerable workforce. Without savings or social security in addition to being compelled to work hundreds or thousands of kilometers away from their homes – there was little left to do other than take to the streets and highways to protest this injustice.</p>

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<p>New labour laws are pro-business, anti-workers Business Today September 25, 2020</p>	<p>For the first time after independence this codification is a true reform that has been exercised, which has completely overhauled the labour laws, says Rishi Agrawal, CEO and CoFounder of Avantis Regtech. Lohit Bhatia, President, Indian Staffing Federation says the new code has simplified the compliance processes for Contract Staffing firms and also the employers to secure the services of Contract Staffing Companies.</p>
<p>Labour reform Bills: Will it kickstart the economy? <i>By R Balasubramaniam</i> Deccan Herald September 24, 2020</p>	<p>India is a State with weak governance mechanisms and poor accountability frameworks for the executive. It is alleged that corruption in the labour department disheartens industrialists and disincentivises investment, so as a solution the laws themselves need to be done away with. While this could be one way of viewing the situation, what needs to be done is to ensure greater transparency in the framing and implementation of the law, decriminalising offences, encouraging compliance.</p>
<p>Businesses cheer, unions fear contentious Indian labour reforms Reuters September 24, 2020</p>	<p>“This change is welcome and bound to create more attraction for foreign investments in small-scale sectors,” said KE Raghunathan, convener of Consortium of Indian Associations, an umbrella group representing small businesses. Amarjeet Kaur, general secretary of the All India Trade Union Congress, one of the biggest trade unions in the country, said the new codes will make it would be almost impossible for workers at small industrial units to form a trade union. “Workers will be at the mercy of their employers who could fire them for any flimsy reason,” she said.</p>
<p>Rajya Sabha passes three labour Codes, industry welcomes reforms Financial Express September 24, 2020</p>	<p>Significant labour market reforms are close to be a reality. With the Rajya Sabha passing three labour Codes, only the President’s assent is now required for these to become a law. The industry gave the Modi government a thumbs-up for carrying out reforms of such magnitude and bringing in provisions which will reduce their compliance burden to a great extent and ensure the ease of doing business. Unorganised workers, gig workers, platform workers and even those self-employed should also be happy as the government proposes to provide all of them some sort of social security cover.</p>
<p>How Modi govt’s 3 new labour codes were passed in Parliament, and the changes they will bring The Print September 24, 2020</p>	<p>These bills have gone through a full committee process. They were presented in 2019 and went to Parliament’s committee on labour, which has 31 members. Out of these, 16 are from the BJP and three from Congress, including senior leader Oscar Fernandes. The committee had suggested 100 changes in the original laws drafted by the government, of which 74 are now implemented. Since labour is a concurrent subject, the central government can design laws and states can pass laws and at this point there were 40 odd central laws and 100 odd, or even more, state laws.</p>

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<p>Here's why Workers, Opposition Parties are Protesting against the 3 new Labour Laws</p> <p>The Wire September 23, 2020</p>	<p>Workers' rights groups insist that these laws will only promote a 'hire and fire' regime and take away the right to protest from workers. Also, they said the new norms would adversely affect the workers by allowing easy retrenchment and exempting certain categories of companies from adherence to the laws that safeguard their rights. The Karnataka State IT/ITeS Employees Union charged that the three new Bills together would lead to "imposing conditions of virtual slavery on the working people". It cautioned that the new Labour Codes will render more than 74% of the industrial workers and 70% of industrial establishments gullible to the "hire and fire regime".</p>
<p>Labour reforms will bring 'one licence, one registration, one return' regime, boost ease of doing business</p> <p>The Times of India September 23, 2020</p>	<p>The labour reforms, which Minister of State for Labour Santosh Gangwar described as "game changing reforms" in Lok Sabha on Tuesday, 22nd September, will bring down the number of registrations required under existing labour laws from eight to 1, licenses from four to one and the number of returns filed under the labour laws also down from eight to one. The move, which labour ministry officials said will put India among the Top 20 countries on the Ease of Doing Business, also entails provisions such as the setting up of a Social Security Fund for unorganised, gig and platform workers, a formal grievance redressal mechanism, and the end of what is referred to as "Inspector Raj".</p>
<p>Why the new labour codes leave India's workers even more precariously poised than before</p> <p>Scroll.in September 23, 2020</p>	<p>Amidst the micro and macro-economic crisis of the last five years, the Union government has aggressively pushed the agenda of labour law reforms – purportedly to simplify India's "complex" labour legislations, improve the business environment, and augment growth and employment. However, workers and trade unions have called these reforms anti-working class, pushing India back to the British era when slavery was a norm. There has been absolutely no consultation with the representatives of workers nor state governments while drafting the new Codes that were passed on Wednesday, 23rd September.</p>
<p>Labour reforms intend to put India among top 10 nations in ease of doing business</p> <p>The Economic Times September 22, 2020</p>	<p>The government aims to catapult India to among the top 10 countries in World Bank's ease of doing business rankings with the comprehensive labour reforms which are likely to be completed after Parliament approves three draft codes in the ongoing session, a senior official said on Tuesday. Under the labour reforms, the Centre plans to subsume 44 central laws into four broad codes on wages; industrial relations; occupational safety, health and working conditions (OSH) and social security.</p>
