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SUBJECT NAME: LABOUR LAW**

**TOPIC NAME:  
LABOUR LEGISLATION**

# What's Labour Law ???



- **Labour Law** is the “**Body of Laws, Administrative Rulings, & Precedents**” which address the Relationship between & among “**Employers, Employees & Labour Organizations**”, often dealing with issues of Public Law. The terms Labour Laws & Employment Laws, are often interchanged in the usage. This has led to a big confusion as to their meanings. Labour Laws are different from Employment laws which deal only with employment contracts and issues regarding employment and workplace discrimination & other Private Law issues.



- “**Labour Laws**” harmonize many angles of the **Relationship** between “**Trade Unions, Employers & Employees**”. In some countries (like Canada), Employment Laws Related to Unionised workplaces are different from those relating to particular Individuals. In most countries however, no such distinction is made.



- The “**Final Goal**” of Labour Laws is to bring both “**Employer & Employee**” on the same Level, thereby mitigating the differences between the two ever-warring groups.



# What is Labour Law

- A combined body of laws, administrative rulings, precedents, enactments and precedents
- Addressing
  - a) The *legal rights*
  - b) And the *duties* of

working people and their organizations

**DUTIES**

**RIGHTS**

- ❖ **Labour laws or labour legislations is the body of laws, administrative rulings, precedents which address the relationship between and among the employers, employees and labour organisations, often dealing with the issues of public law.**
- ❖ **Indian labour law refers to laws regulating labour in India.**
- ❖ **Traditionally, Indian governments at federal and state level have sought to ensure a high degree of protection for workers, but in practice, legislative rights only cover a minority of workers.**
- ❖ **India is a federal form of government and because labour is a subject in the concurrent list of the Indian Constitution, labour matters are in the jurisdiction of both central and state governments; both central and state governments have enacted laws on labour relations and employment issues.**





In other words...

- It defines both **rights** and **obligations** of

- a) Workers
- b) Union Members
- c) Employers

at a workplace.

- It is also called as '**Employment Law**'


- In India, law relating to labour and employment is primarily known under the broad category of "**Industrial Law**"

WITH  
RIGHTS  
COME  
DUTIES



# Origins of Labour Laws



- **"Labour Laws"** emerged when the **Employers** tried to Restrict the Powers of **Worker's Organisations** & keep Labour Costs Low. The Workers began Demanding better Conditions & the Right to Organise so as, to improve their Standard of Living. Employer's costs increased due to workers demand. This led to a chaotic situation which required the Intervention of Government. In order to put an end, the **"Government"** enacted many Labour Laws in the Country.
- The **History** of Labour Legislation in **India** can be traced back to the History of British Colonialism. In the beginning it was difficult to get enough Regular Indian workers to run **"British Establishments"** & hence Laws for chartering workers became necessary. This was obviously Labour Legislation in order to protect the interests of British employers.
- The **"Factories Act"** was first introduced in **1883** because of the pressure brought on the **British Parliament** by the textile moguls of **Manchester and Lancashire**. Thus we Received the First Stipulation of **Eight (08) Hours** of work, the abolition of Child Labour, & the Restriction of Women in Night employment, and the introduction of **"Overtime Wages"** for work beyond Eight Hours.
- **"India"** has Various Labour Laws, such as Resolution of Industrial Disputes, Working Conditions, Labour Compensation, Insurance, Child Labour, Equal Remuneration etc.



# Individual Labour Law



## “Contract of Employment & At-will Employment”

- The Basic Feature of **“Labour Law”** in almost Every Country is that the **“Rights & Obligations”** of the “Employee & Employer” between One-another are mediated through the **“Contract of Employment”** between them. This has been the case since the collapse of feudalism & is the core reality of Modern Economic Relations. Many terms & conditions of the contract are however implied by Legislation or Common Law, in such a way as to restrict the freedom of people to agree to certain things to protect employees, and facilitate a fluid Labour Market.
- In the **“United State of America”** for example, Majority of State Laws allow for Employment to be **“At Will”** meaning the Employer can Terminate an Employee from a Position for any Reason, so long as the Reason is not an **“Illegal Reason”**, including a Termination in **Violation of Public Policy**.
- In Many Countries it's Employer's Duty to Provide Written Particulars (**Contract**) of Employment to an Employee. This aims to allow the Employee to know concretely what to expect and is expected; in terms of **“Wages, Holiday Rights, Notice in the event of Dismissal, Job Description”** and so on. An Employee may not for instance agree to a contract which allows an Employer to dismiss them unfairly.



# Important Acts of Indian Labour Laws



- The Apprentices Act - 1961
- The Payment of Wages Act -1936
- The Workmens' Compensation Act -1923
- The Factories Act -1948
- The Industrial Disputes Act - 1947
- The Employees PF & MP Act - 1952
- The Employees State Insurance Act - 1948
- The Maternity Benefit Act - 1961
- The Payment of Bonus Act - 1965
- The Payment of Gratuity Act - 1972





# Importance and Necessity of Labour Laws

- (1) Improves industrial relation i.e. employee-employer relations and minimizes industrial disputes.
- (2) Prospects workers form exploitation by the employers or management
- (3) Helps workers in getting fair wages
- (4) Minimizes labour unrest
- (5) Reduces conflicts and strikes etc.
- (6) Ensures job security for workers
- (7) Promotes welcome environment conditions in the industrial system
- (8) Fixes rest pauses and work hours etc.
- (9) Provides compensation to workers, who are victims of accidents.





# What does it cover?

Generally Labour Laws cover

- Industrial relations
  - a) certification of unions,
  - b) labour-management relations,
  - c) collective bargaining
  - d) unfair labour practices






**Continued...**

**Workplace health and safety**

**Employment standards**

- 
- a) **general holidays,**
  - b) **annual leave,**
  - c) **working hours,**
  - d) **unfair dismissals,**
  - e) **minimum wage,**
  - f) **layoff procedures**
  - g) **severance pay.**



# HISTORY





## Continued...

- How the need arose
  - ❑ During the post world war I era the need for definite labour laws were felt for the first time.
  - ❑ Previously, organizations all over the world made their labourers work with little or no power and with minimal pay. This kept the labour cost low and increased the profit margin.

## Continued.

- However, during this time period, the voices of the workers, against such labor practices, started to rise.
- On one hand there were workers demanding better work atmosphere, increased wage and right to organize
- On the other there were organizations trying to restrict the power of workers and to keep labour costs low, and avoid the gaining of political power of the workers.



A person in a dark suit and white shirt is shown from the chest up, holding a pair of scales of justice in their right hand and a book in their left hand. The background is a light blue gradient with decorative white and blue wavy lines at the top. The text is overlaid on the image.

## Continued:

❑ This conflict between these two opposite interests in the society highlighted the need for a set of regulations i.e. laws. That will maintain a balance between the *rights* and *liabilities* of both the *employer* and the *employee*.

In addition to that, which will also ensure the peaceful working of the organizations.

## Continued...

- International Labour Organisation (ILO) was one of the first organisations to deal with labour issues.
- The ILO was established as an agency of the League of Nations following the Treaty of Versailles, which ended World War I



## Continued...

- Most of the labour legislations in India are pre-constitutional.
- Until 1919, there were no important labour legislations in India.
- With the establishment of ILO coupled with trade union pressure in the country, has greatly affected labour legislations

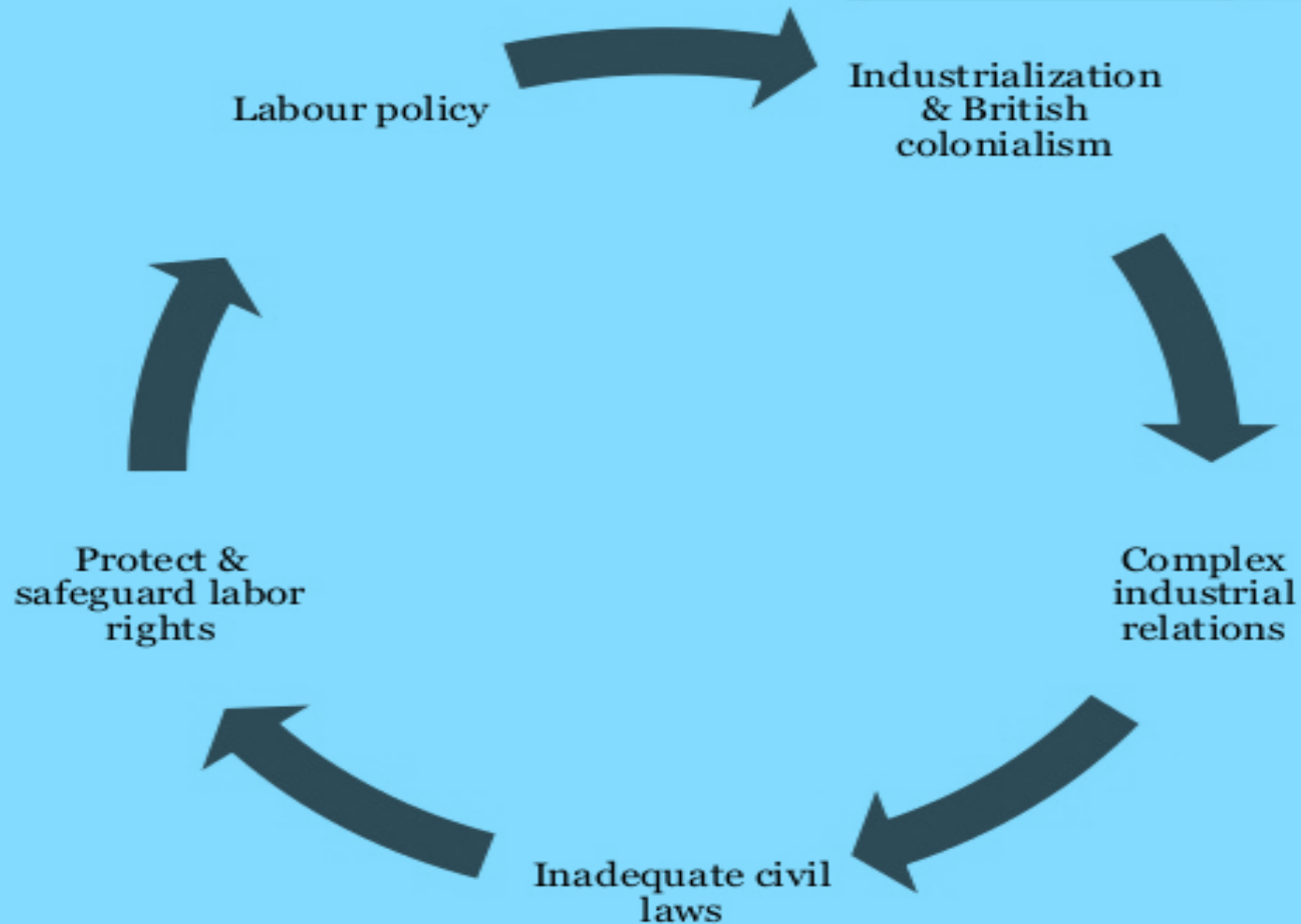
# Factors Influencing Evolution of Labour legislation

Several factors which influenced the evolution of labour legislation in India :-

- Early Industrialism
- Influence of colonial rules
- The rise of Trade Union
- The growth of Humanitarian ideas and the concept of Social justice



## Evolution of labour legislations in India:-



# NATURE OF LABOUR LEGISLATION

- Products of Industrial Revolution
- Regards Individual as a worker
- Deals with problems of Labor
- It Is Role -Relation
- Regulates Conditions of Labor



Laws were also made to regulate the labor management relations. Some of them are :

1. The Industrial Disputes Act, 1947
  2. The Trade Unions Act, 1926, and
  3. The Industrial Employment (Standing Orders ) Act, 1946.
- Labor legislations ensuring labor welfare and minimum standards were also enacted. Some of them are :
1. The Factories Act, 1948
  2. The Minimum Wages Act, 1948
  3. The Payment of Wages Act, 1936, and
  4. The Payment of Bonus Act, 1965.

# Purpose of Labour laws

There are three crucial purposes which labour laws fulfill

1. Establishing a legal system that facilitates ***productive*** individual and collective ***employment relationships***, and therefore a ***productive economy***.
2. providing a framework within which employers, workers and their representatives can ***interact with regard to work-related issues***, it serves as an important instrument for achieving harmonious industrial relations based on workplace democracy.



## Continued...

- providing a clear and constant reminder and ***guarantee of fundamental principles and rights at work*** which have received broad social acceptance and ***establishes the processes through which these principles and rights can be implemented and enforced.***

# IMPORTANCE OF LABOUR LEGISLATION

- Labour law regulates not only the condition of work of industrial establishment but also industrial relation, payment of wages, registration of trade unions.
- It defines legal rights and obligations of employee and employers and also provide guidelines for their relationship.
- Labour legislation has helped the workers to remove economic insecurity to a great extent.

- Labour legislation helps the workers in getting basic amenities and benefits in terms of occupational security.
- With the enactment of labour legislation organization have to provide hygiene and well maintained working condition to their employees
- Helps in economic development of the country



- To deal with industrial dispute
- To enforce social insurance and labour welfare scheme
- Necessary for health, safety, and welfare of workers
- For the achievement of socio-economic progress
- Encourages and facilitate the workers in the organization

# Labour Policy in India



“**Labour Policy in India**” has been evolving in response to specific needs of the situation to suit requirements of planned “**Economic Development & Social Justice**” has two-fold Objectives, viz., Labour Policies are devised to maintain Economic Development, Social Justice, Industrial Harmony & Welfare of Labour in the country.

## Highlights of Labour Policy:-



- Creative Measures to attract Public & Private Investment.
- Creating New Jobs with New Social Security Schemes for workers.
- Unified and Beneficial Management of funds of Welfare Boards.
- Model Employee – Employer Relationships with Long Term Settlements.
- Vital Industries & Establishments declared as “**Public Utilities**”.
- Special conciliation mechanism for projects with investments of **Rs. 150 cr** or more.
- Industrial Relations committees in more sectors.
- Labour Law Reforms with Times. Empowered body of experts to suggest required changes.
- Statutory amendments for expediting & streamlining the mechanism of Labour Judiciary.
- Efficient functioning of Labour Department. More labour sectors under Min. Wages Act.
- Modern Medical Facilities for workers. Rehabilitation packages for displaced workers.
- Restructuring in functioning of **Employment Exchanges** with modern Technology.
- Revamping of Curriculum & Course content in Industrial Training.
- Joint Cell of Labour & Industries Department to study changes in Laws & Rules.

# Labour Policy In India...

- Creative measures to attract public and private investment.
- Creating new jobs
- New Social security schemes for workers in the unorganized sector.
- Social security cards for workers.
- Unified and beneficial management of funds of Welfare Boards.
- Reprioritization of allocation of funds to benefit vulnerable workers.
- Model employee-employer relationships.



## Continued...

- Long term settlements based on productivity.
- Vital industries and establishments declared as `public utilities`.
- Special conciliation mechanism for projects with investments of Rs.150 crores or more.
- Industrial Relations committees in more sectors.
- Labour Law reforms in tune with the times. Empowered body of experts to suggest required changes.

# Continued...

- Statutory amendments for expediting and streamlining the mechanism of Labour Judiciary.
- Amendments to Industrial Disputes Act in tune with the times.
- Efficient functioning of Labour Department.
- More labour sectors under Minimum Wages Act.
- Child labour act to be aggressively enforced.
- Modern medical facilities for workers.
- Rehabilitation packages for displaced workers.
- Restructuring in functioning of employment exchanges. Computerization and updating of data base.

## Continued...

- Revamping of curriculum and course content in industrial training.
- Joint cell of labour department and industries department to study changes in laws and rules



Thank  
You