

Labour Regulations: Coverage in North East India

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Presentation at the Conference on
**India's Look East Policy – Challenges for Sub-Regional
Cooperation, Guwahati**

Labour Regulations Aim to Provide

- Certain minimum conditions of work (work place, hours of work and so on)
- Certain minimum level of wages and earnings
- Social security benefits (against risk of accident, sickness, Maternity, terminal benefits and so on)
- Framework for settlement of disputes (workers and employers, workers and workers)

Why heightened debate?

- All regulations entail cost to employer
 - It is expected the industry absorbs these costs under normal business
- Globalisation, competition
 - Look East Policy
 - What about labour regulations in China?
- Organisation of flexible labour use to match fluctuating demand
- There is an argument that Labour regulations lead to lower levels of industrialisation

This presentation

- Labour regulation – brief introduction
- Applicability and coverage of labour regulations in NE
- Not covered but important
 - Implementation machinery and gaps
 - Overall compliance in NE states
 - Relationship between labour regulations and industrial investment and growth
 - Problems with certain labour regulations and suggested reforms

Labour Regulations

- Labour Laws
- Rules
- Implementation mechanism
- Labour tribunals and
- Labour courts

Long history

- First laws in the Colonial period (Factories Act 1880)
- Movements for Workers' rights alongside freedom movement (AITUC 1920)
- International workers' movements
- International organisations, ILO (1919), UNO (1945)
- Labour regulations in Independent India

Concurrent Subject

- Central labour regulations
- State level labour regulations
- Flexibility to States
 - ✓ Amend Central regulations
 - ✓ Make rules for Central regulations
 - ✓ Implementation mechanism
 - ✓ Power to provide exemptions under different laws

Important Labour laws in India

1. Conditions of work,
2. Wages and remuneration,
3. Employment security and industrial relations and
4. Social security and welfare of workers.

Conditions of Work

- Factories Act, 1948
- The Contract Labour (Regulation & Abolition) Act, 1970
- Shops and Commercial Establishments Act
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- The Mines Act, 1952
- Plantations Labour Act, 1951
- The Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996

On wages and remuneration

- The Minimum Wages Act, 1948
- Payment of Wages Act, 1936
- Payment of Bonus Act, 1965
- Equal Remuneration Act, 1976

On social security

- Employees' Provident Fund Act, 1952
- Workmen's Compensation Act, 1923
- Employees State Insurance Act, 1948

- Welfare:
 - The Mica Mines Labour Welfare Fund Act, 1946
 - The Limestone & Dolomite Mines Labour Welfare Fund Act, 1972
 - The Beedi Workers Welfare Fund Act, 1976
 - The Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines Labour Welfare Fund Act, 1976
 - The Cine Workers Welfare Fund Act, 1981

Employment security and Industrial Relations

- The Industrial Disputes Act, 1947
- Industrial Establishments (Standing Orders) Act, 1946
- The Trade Union Act, 1926

Effectiveness of Labour Regulations in the North East

- Applicability of labour regulations
- Coverage of labour regulations by definition
- Actual coverage of labour regulations

Applicability of Labour Laws

Example 1: Factories Act

1. Enterprise size: 10 + or 20+
2. Geographical applicability: All
3. Industry and Sector: Manufacturing sector only

Example 2: Minimum Wages Act

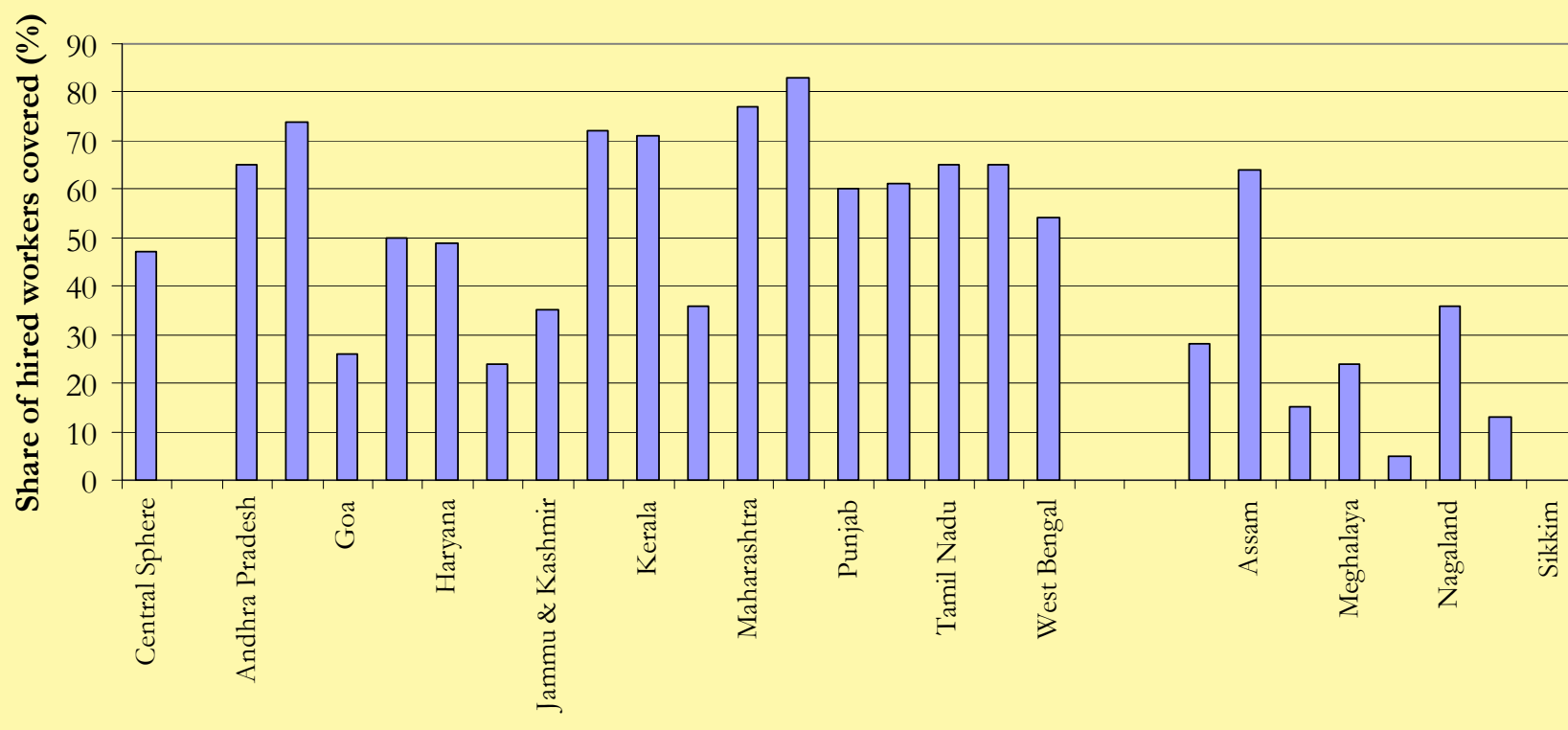
1. Enterprise size: No limit
2. Geographical applicability: All (until recently Sikkim not covered)
3. Industry and Sector: Applicable only when Employment is included in Schedule

Example 3: Shops and Establishments Act

1. Enterprise size: No explicit limit
2. Geographical applicability: Applicable only in notified (urban) areas
3. Industry and Sector: Shops, commercial establishments, theatres, hotels and restaurants.

Minimum Wages Act

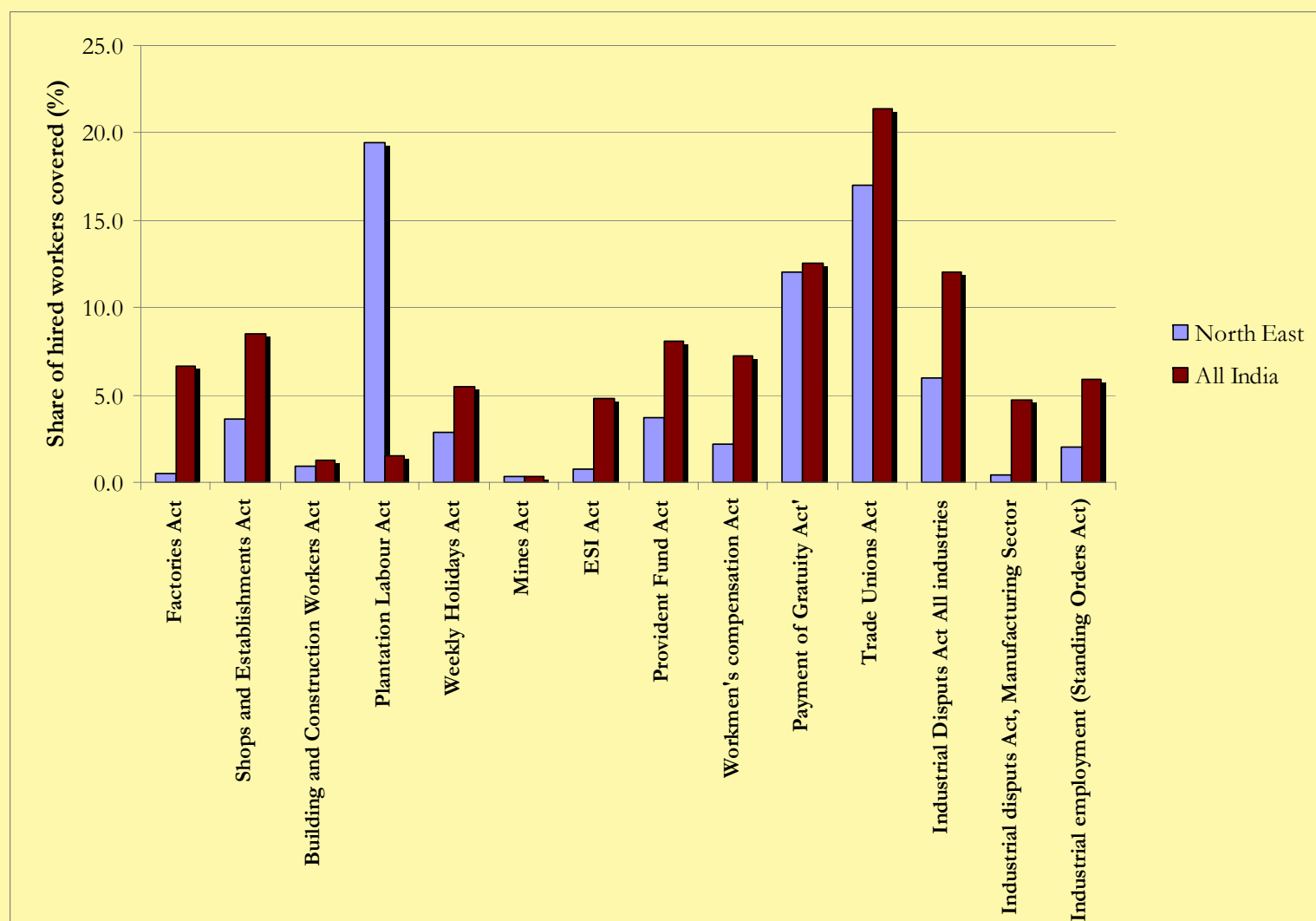
Number of Employment Schedules 2004



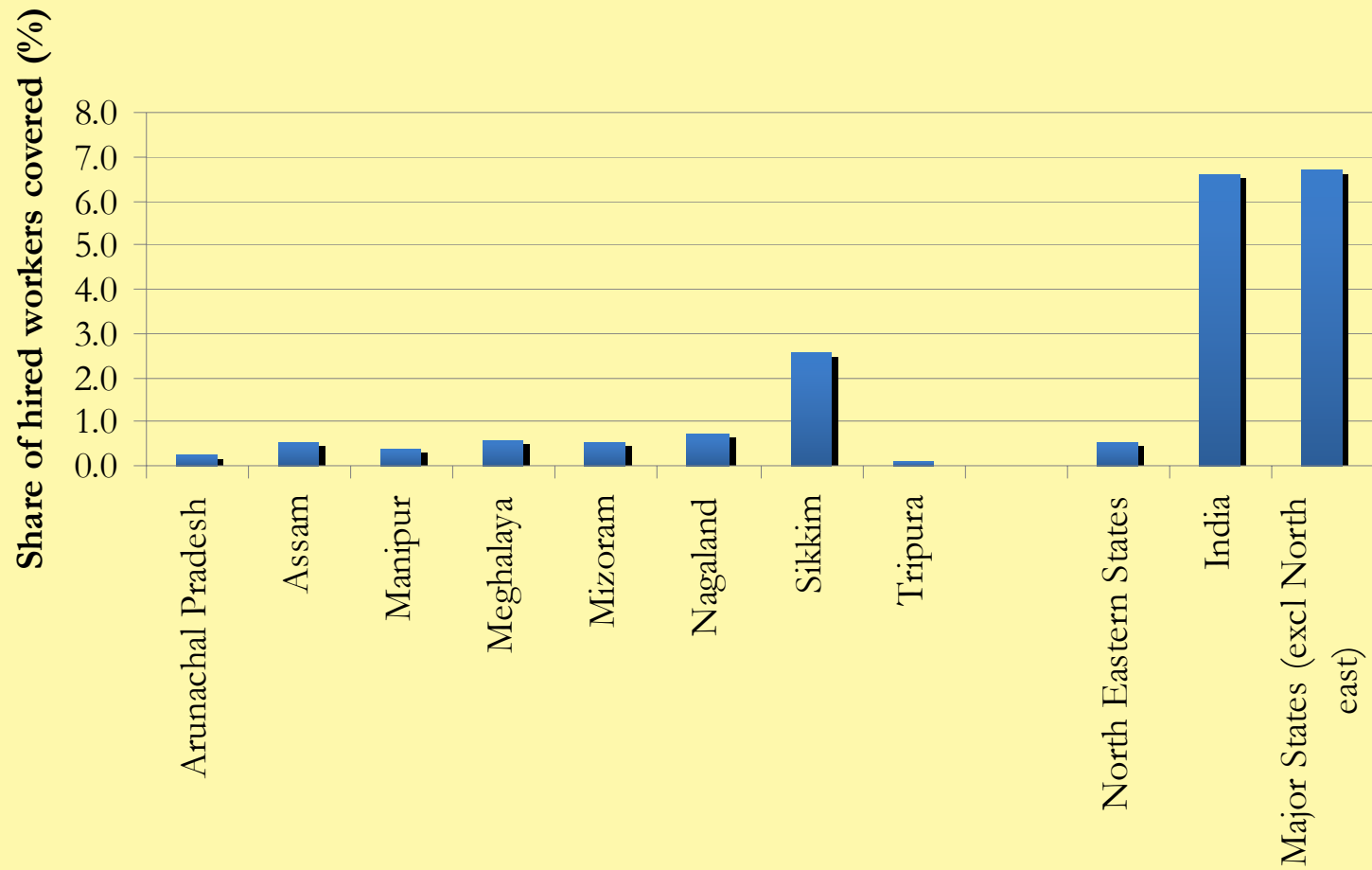
Estimation of Coverage in N-E India

- Important Central labour regulations and their coverage in the North East
- NSS data on employment and unemployment
- Hired workers covered (not self-employed)
 - Self employed above 50 % in all states except Sikkim and Tripura.

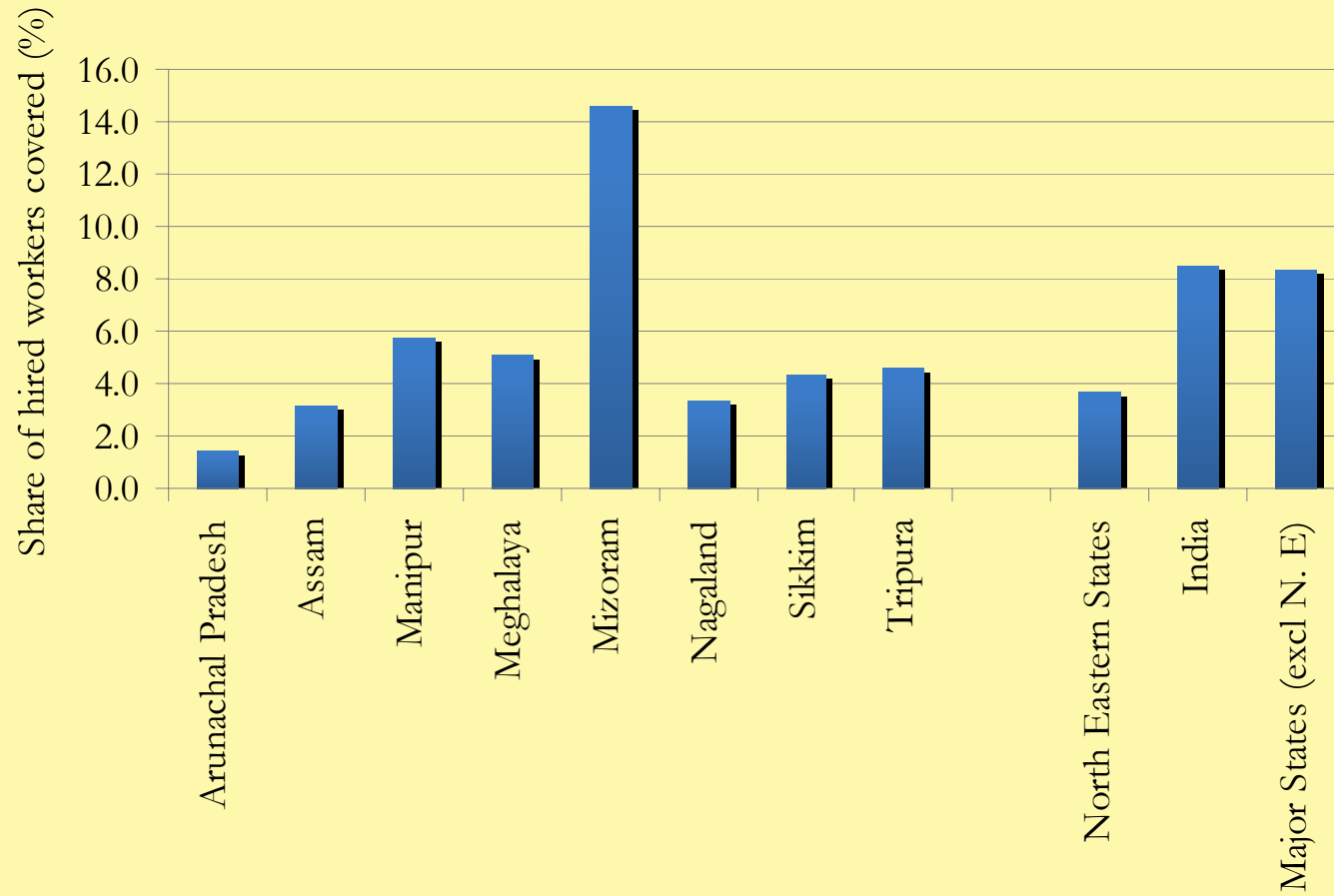
Coverage of Labour Regulations, India and the North East



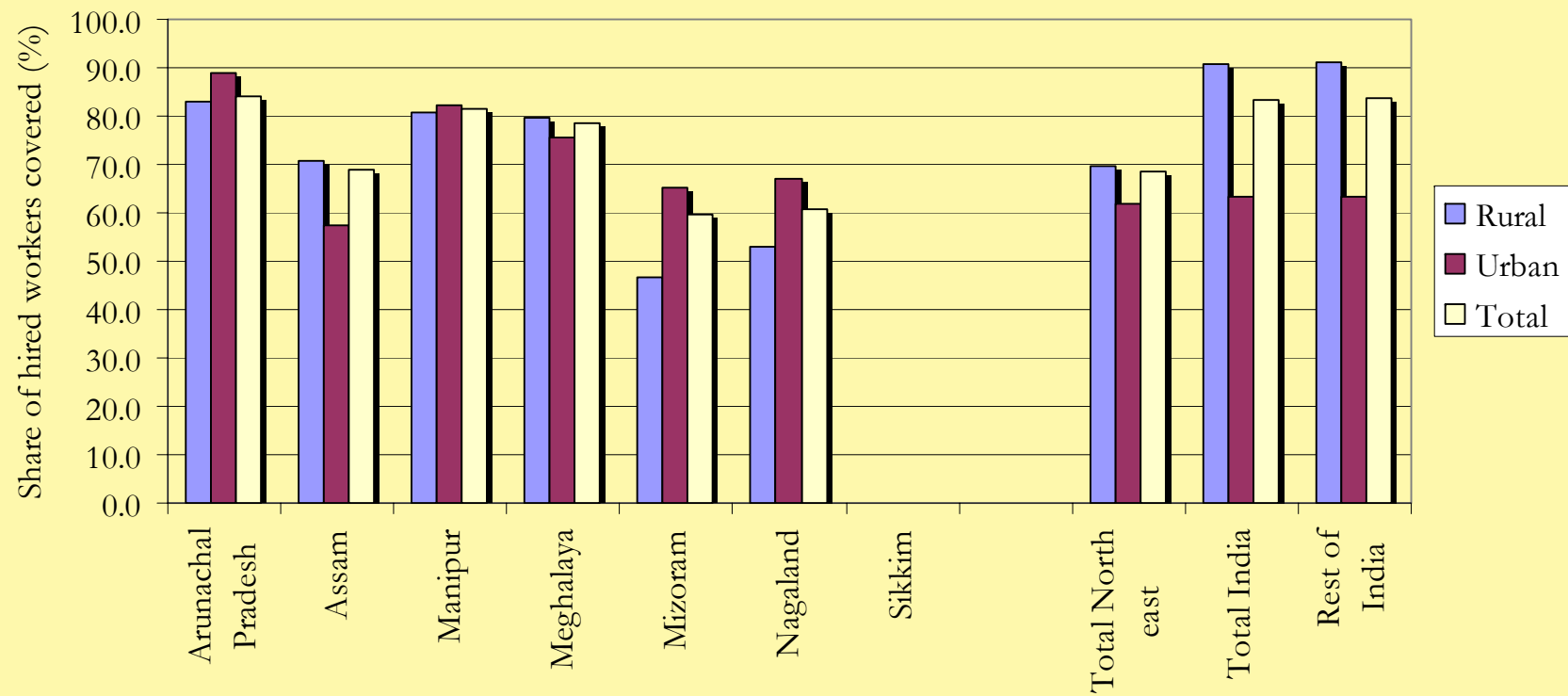
Coverage of Factories Act



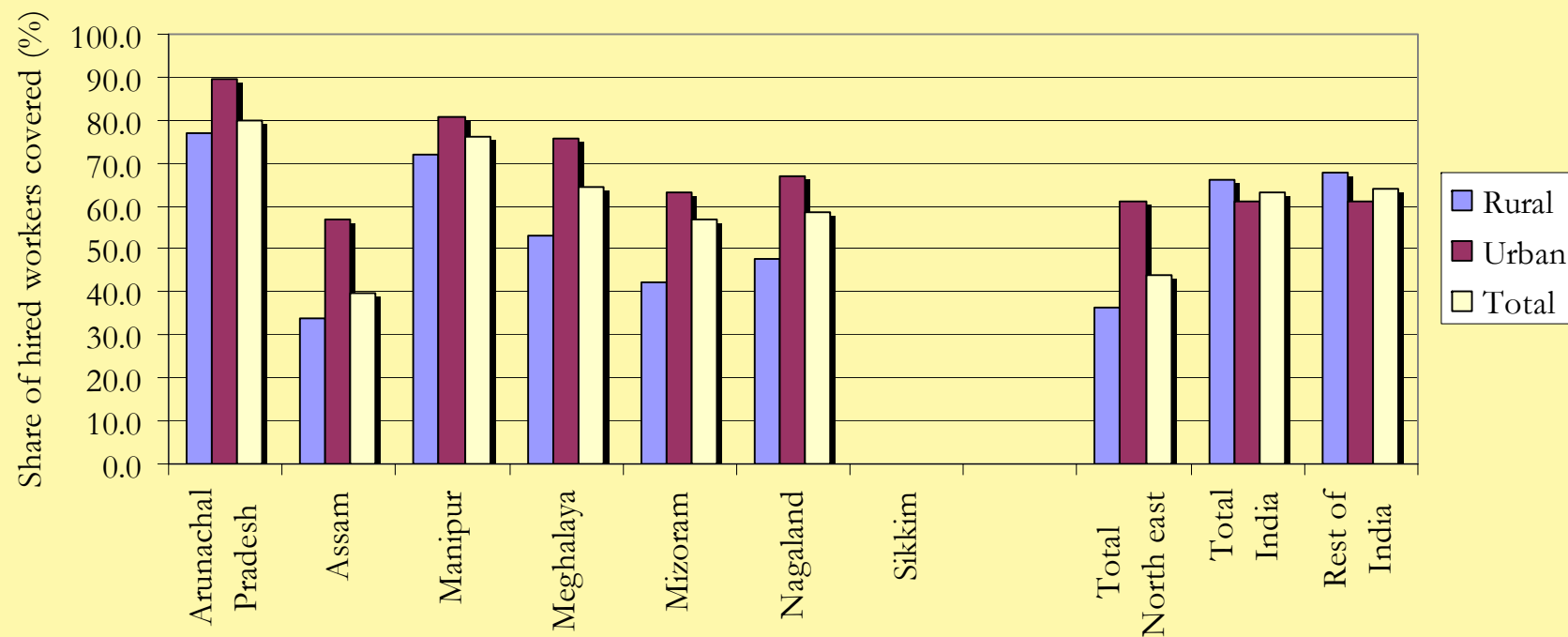
Shops and Establishments Act



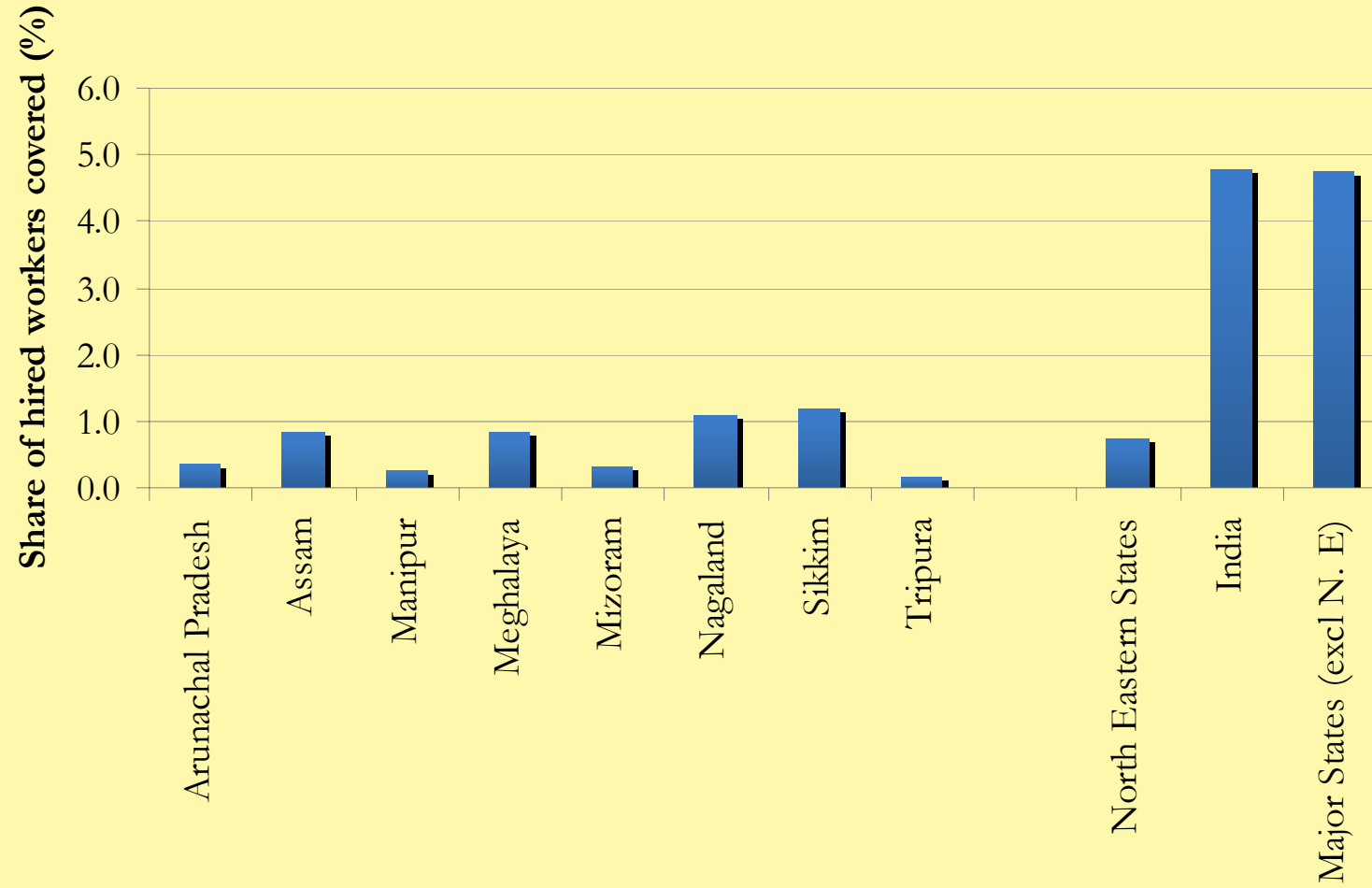
Coverage of Minimum Wages Act



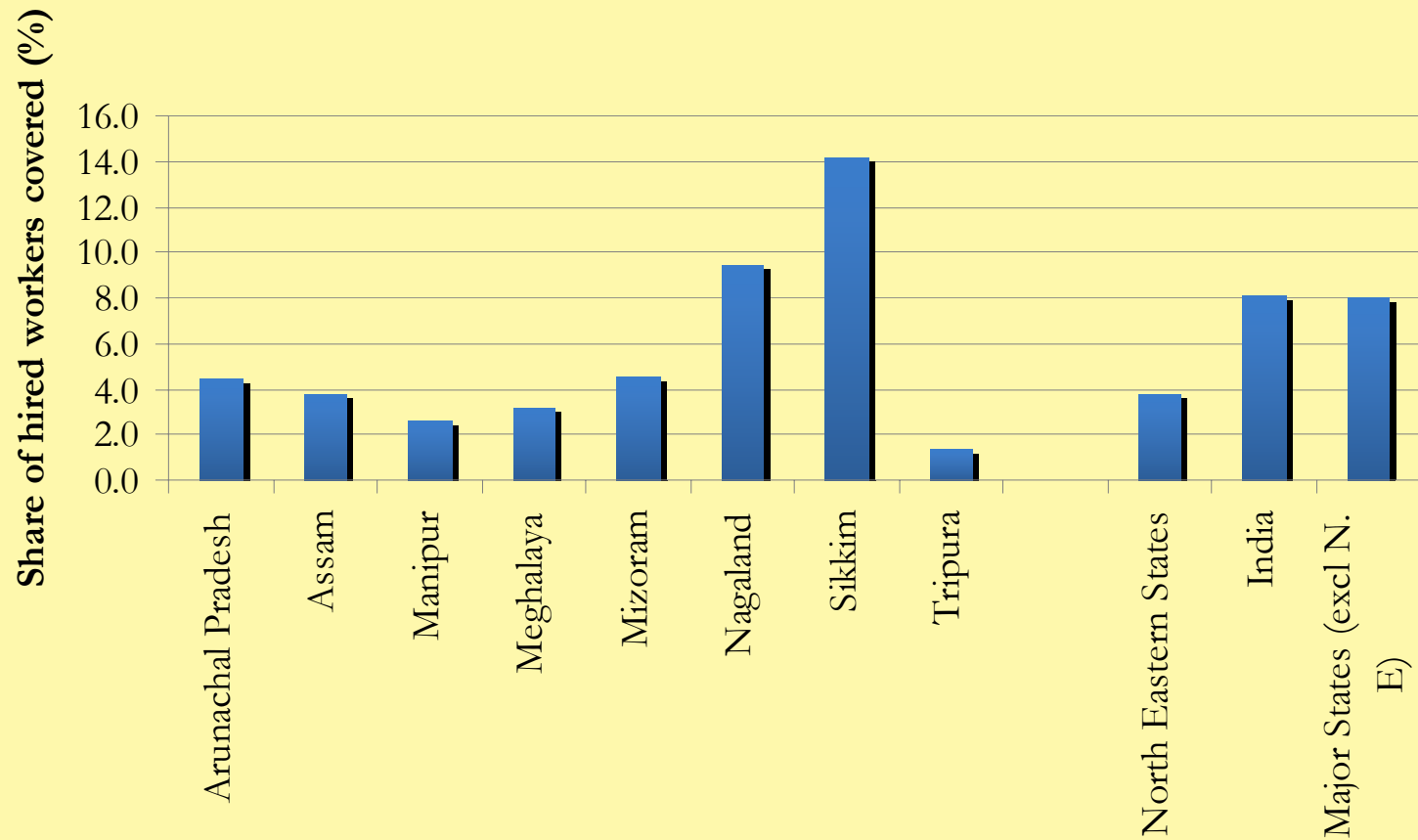
Coverage of Minimum Wages Act Non-Agricultural sectors



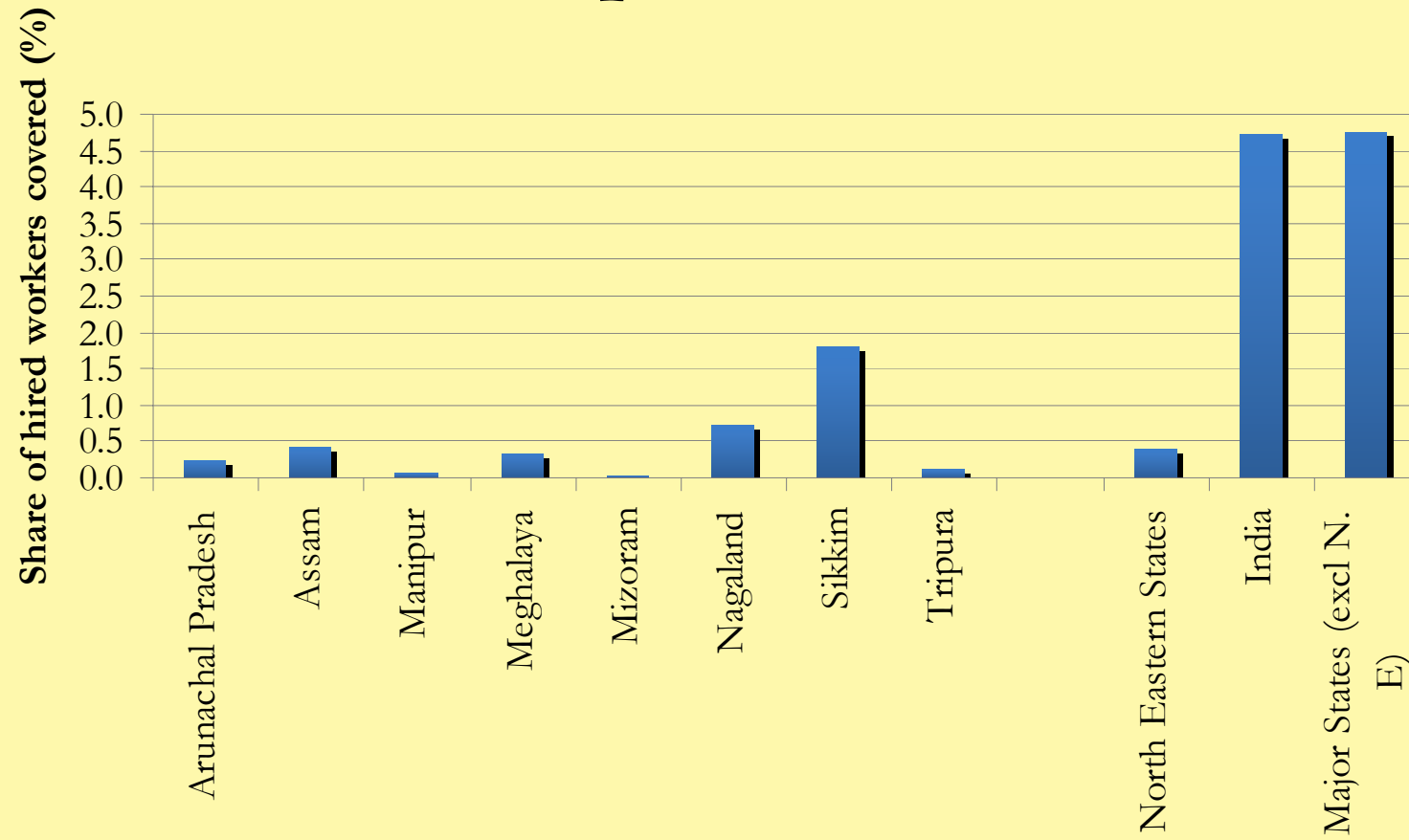
Coverage of ESI Act



Coverage of Provident Fund Act



Coverage of Industrial Disputes Act



Labour regulations Not implemented in the North East

For example:

1. The Inter - State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 - implemented only in **Assam and Tripura**
2. Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996 - Not implemented in NE
3. Minimum Wages Act (schedules limited)

Actual coverage of Labour Regulations

- Limited data on actual coverage in the NE
- From reports of the functioning of different laws
- From implementation machinery – staff strength
- From inspections, detection of irregularities
- From penalty procedure (fines and imprisonment)

Some Concluding Remarks

- Limited coverage of labour regulations in North East India
- Very few state level (and special) labour regulations
- Some laws not implemented
- Weak labour regulatory atmosphere not associated with industrialisation
- Other factors such as infrastructure (power, roads, railways) more important
- Need for a comprehensive law to cover workers in the unorganised sector
- Need to design protection for the self employed

Thank you