

LABOUR & INDUSTRIAL LAW

UNIT – V

Protection of Unorganised Labour & Globalisation

Unorganised Workers' Social Security Act, 2008
SEZs • Globalisation • Welfare State Mandate

Learning Objectives

- 01 Understand the characteristics and vulnerabilities of unorganised labour in India
- 02 Explain the Unorganised Workers' Social Security Act, 2008 and its scheme-based approach
- 03 Describe State-level laws regulating shops and commercial establishments
- 04 Analyse the impact of globalisation, privatisation and SEZs on labour rights
- 05 Evaluate the constitutional mandate of the welfare state in the era of economic reforms

Unorganised Labour – Features & Vulnerability

Unorganised / informal workers constitute the overwhelming majority of India's workforce.

Characteristics:

- Absence of formal employment relationship and written contracts
- Lack of coverage under most protective labour laws
- Low and irregular wages, long working hours, poor working conditions
- High vulnerability of women, children and migrant workers
- Seasonal, intermittent and home-based work
- Almost no social security (provident fund, pension, medical cover, gratuity)

The constitutional vision of a welfare state and the Directive Principles require the State to extend protection and social security to this large section of workers.

Unorganised Workers' Social Security Act, 2008

Object: To provide for the social security and welfare of unorganised workers and for other matters connected therewith or incidental thereto.

Key features:

- Definition of unorganised worker and unorganised sector
- National Social Security Board and State Social Security Boards
- Formulation of schemes relating to life and disability cover, health and maternity benefits, old-age protection, and any other benefit decided by the Government
- Registration of unorganised workers
- Funding through contributions, grants and other sources

The Act is essentially an enabling framework. Actual benefits depend on the schemes that are framed and implemented by the Central and State Governments.

Shops & Commercial Establishments Acts

Most States have enacted Shops and Commercial Establishments Acts (e.g., Karnataka Shops and Commercial Establishments Act, 1961).

Typical provisions:

- Registration of shops and commercial establishments
- Regulation of opening and closing hours
- Weekly holidays and overtime
- Employment of children and women – restrictions and conditions
- Leave, wages and other conditions of service
- Health, safety and welfare measures
- Enforcement through Inspectors and penalties

These State laws are an important source of protection for workers in the retail, commercial and service sectors who may not be covered by central labour laws.

Globalisation, Privatisation & Labour

The new economic policy of liberalisation, privatisation and globalisation has significantly affected labour relations:

- Growth of contract, casual and temporary employment
- Informalisation even within the formal sector
- Pressure on traditional protective labour legislation
- Privatisation and disinvestment of public sector undertakings
- Rise of Special Economic Zones (SEZs) with modified application of labour laws
- Increased competition leading to cost-cutting and flexible employment practices

These changes have created both opportunities and serious challenges for the protection of labour rights.

Special Economic Zones & Labour Law

Special Economic Zones (SEZs) were created to attract investment and promote exports.

Labour law issues in SEZs:

- Certain labour laws have been modified or their application diluted in SEZs
- Greater flexibility in hiring and working conditions has been demanded by investors
- Concerns about dilution of protective standards, especially for women and contract workers
- Debate between the need for investment and the constitutional mandate of labour welfare

The challenge is to maintain a balance between economic growth and the basic rights of workers.

Constitutional Mandate of Welfare State

Despite economic reforms, the Constitution continues to mandate a welfare State.

Relevant provisions:

- Preamble – Justice (social, economic and political)
- Article 38 – State to secure a social order for the promotion of welfare of the people
- Article 39 – Principles of policy (adequate means of livelihood, equal pay, health of workers, children)
- Article 41 – Right to work, education and public assistance
- Article 42 – Just and humane conditions of work and maternity relief
- Article 43 – Living wage and decent standard of life

Courts have repeatedly held that economic reforms cannot override these constitutional obligations.

Key Takeaways



Unorganised workers form the bulk of the workforce and require targeted social security measures.



The 2008 Act provides an institutional framework but depends on effective schemes and implementation.



State Shops & Establishments Acts remain important for commercial and retail workers.



Globalisation and SEZs have created new challenges for traditional labour law.



The constitutional vision of social and economic justice continues to bind the State.



Future reform must address both organised and unorganised sectors in a coherent and balanced manner.

Unit-V – Quick Revision

Unorganised Workers Act

2008 – scheme-based social security framework

Key Challenge

Implementation and actual delivery of benefits

Shops & Establishments

State laws regulating commercial establishments

Globalisation Impact

Informalisation, contract labour, flexibility demands

SEZs

Modified labour law application – contested issue

Constitutional Anchor

Arts. 38, 39, 41, 42, 43 – welfare state mandate

End of Unit – V

Unorganised Labour • Globalisation • Welfare State

All Five Units of Labour Law Completed