

LABOUR MARKET REFORMS IN INDIA

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Abstract: This paper provides an insight into ongoing labour market reforms in India. In order to safeguard life and dignity of the workers and to align labour market policies with the requirement of changing labour market, the Government of India has laid down four Codes on labour viz; Codes on Wages; Industrial Relations; Social Security & Welfare; and Occupational Safety, Health and Working Conditions respectively, by rationalizing, amalgamating and simplifying the relevant provisions of the existing 44 central labour laws. The restructuring of the existing 44 Central Labour Acts into four major Codes is expected to reduce the complexity in its compliance, promote employment generation by enabling business environment and facilitate ease of doing business. At the same time, these initiatives are also expected to improve life and the dignity of workers by safeguarding their interest, providing social security benefits against risk, ensuring better work & working conditions, suitable and timely payment of wages and hygienic working environment. The paper also highlights challenges in implementation of some provisions of the Code and suggests modifications so that the benefits of labour market reforms can reach to both workers and employers.

Key Words: minimum wages, negotiating union, informalisation, social protection.

JEL Classification: J03, J51, J52

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1. INTRODUCTION

Labour market regulation in India has been a subject of debate since last three decades. The issue became even more debatable with the change in economic policies in the post reform period. On the one hand, some scholars argued that labour market needs to be regulated as workers are considered to be weaker party in employer-employee relationship. Therefore, they are more prone to exploitation as free market doesn't ensure rights and protection to workers. They further argued that labour are human beings, not a commodity. Therefore, regulation is required to safeguard their rights. Labour regulation is also required to ensure human rights, equity, social justice and to improve efficiency and productivity in the economy. Further, the need for safeguarding and protecting the interest of workers as a human

being is also enshrined in Fundamental Rights (chapter III, Articles 16, 19, 23 & 24) and Directive Principle of State Policy (Chapter IV, Articles 39, 41, 42, 43, 43 A & 54). Thus, in order to improve condition of workers and social welfare, these scholars have advocated for labour regulation in number of areas like provision of good working condition, social security against risk at work and in life, security against discrimination & unfair dismissal, freedom to form union to represent their interest and partnership in management, establishment of fair mechanism for grievance redressal and dispute settlement, provision of special facilities for women workers etc. (GoI, 2002; Papola and Pais, 2007; The World Bank, 2010).

On the other hand, some scholars advocated for flexibility in the labour market. They believed that labour regulation hampers investment, efficiency, productivity, quality of jobs and employment growth especially in formal sector. They argued that India's labour market is highly regulated. As a result, employers do not have flexibility to adjust the use of labour as per their requirements. This creates high transaction cost, reduces efficiency in production and makes it difficult for enterprises to survive in highly competitive global environment. This discourages investment and reduces employment and output growth. They further argued that rigid labour law is the prime reason behind slow industrial performance, poor employment performance especially in the formal sector, declining share of labour, widespread informalisation, deepening dualism in Indian labour market despite high rate of economic growth. Due to protective legislature available to workers, employers cannot fire even a single worker without states permission. Employers have to use contract workers in core and perennial activities as per law. Further, they have to provide social security and other benefits to workers. These constrains relating to hiring and firing of workers, redeployment and use of contract workers and pressure from trade unions has led to substitution of capital intensive techniques with workers and substitution of permanent workers with contract and subcontract workers. This has led to sluggish employment growth in the post reform period (GoI, 2002; ADB, 2005; Sharma, 2006; Papola and Pais, 2007; The World Bank, 2010).

This strand of literature also argued that labour is the subject matter of concurrent list (Article 246). Therefore, center and state both can legislate labour laws. As a result, there are too many labour laws and many of them are over lapping. Many of these labour laws are dating back to 19th century and are out of touch with the change in socio economic reality. These laws neither address the needs of the employers, employee nor the aspiration of current realities. For example: there are around 75 central and 200 state laws relating to labour market in India. Out of these 75 central laws, only 44 are in force. Of these 44 labour laws, 9 were implemented before independence, 35 came into force during 1948-1978 and 6 came into existence in 1980's. Only 3 of 44 central law have been enacted in the post 1990s. Apart from these, there are inconsistencies in definition of various

concepts like factory, worker, workmen, employer, employee etc. These numerous overlapping and contradictory laws have created complexities and confusion among workers, employee and employers. As a result, workers are not able to claim their share and are not getting fair treatment (GoI, 2002; Papola and Pais, 2007; The World Bank, 2010).

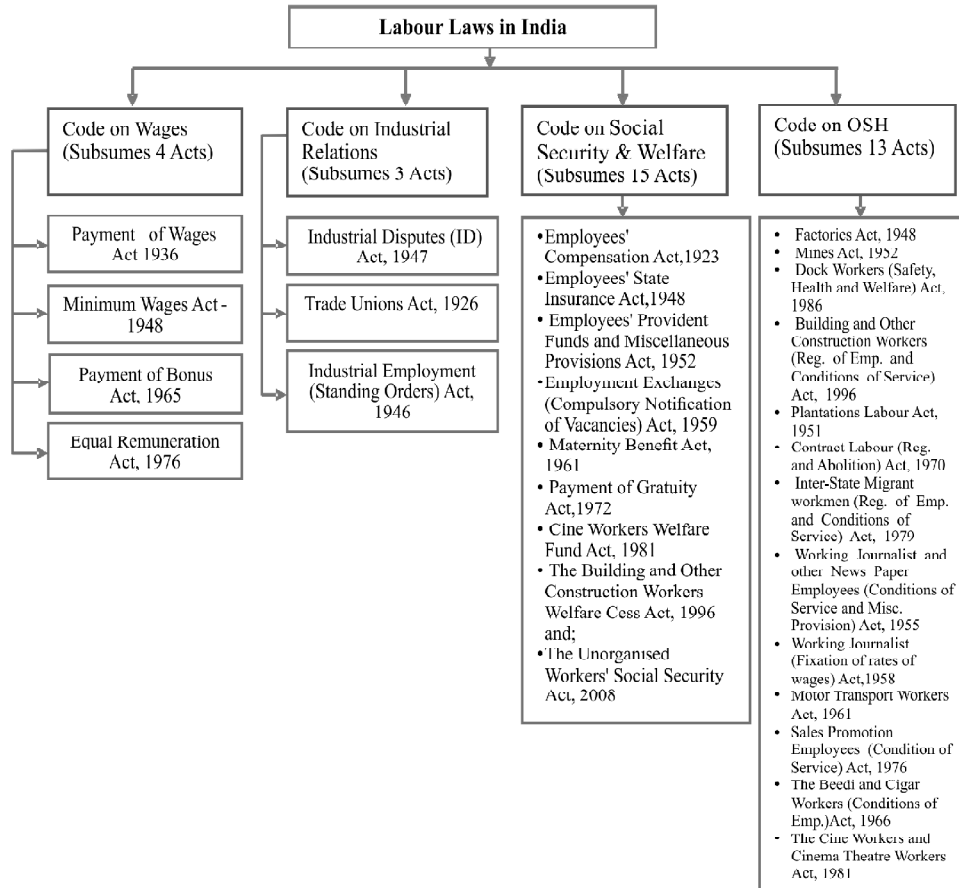
India aspires to become 5 trillion economy by 2024 and aims to join the league of top 50 countries in global Ease of Doing Business ranking by 2021. Labour reform would be one of the important steps towards realizing these goals. The Second National Commission on Labour (2002) also suggested to rationalize, simplify, and consolidate all existing labour laws into five broader groups such as (i) wages (ii) industrial relations (iii) safety (iv) social security; and (v) welfare and working conditions. Following the recommendation of the Second National Commission on Labour and to align labour market policies with the requirement of changing labour market, the Government has drafted four labour codes viz., Labour Codes on Wages; Industrial Relations; Social Security & Welfare; and Occupational Safety, Health and Working Conditions respectively, by rationalizing, amalgamating and simplifying the relevant provisions of the existing 44 central labour laws. Chart 1 summarizes components of these four Codes.

Out of these four broader Codes on labour, the Code on Wages Act, 2019 has been notified by the Government on 08.08.2019. The Code on Industrial Relations, 2019 and the Code on Social Security, 2019 are under the consideration of the Parliament. Parliamentary Standing Committee submitted its report on the Code of Occupational Safety, Health and Working Conditions Code, 2019 and Revised Cabinet Note has been circulated for comments in March, 2020. These labour reform initiatives would reduce complexity in compliance by streamlining multiple overlapping laws, facilitate ease of doing business and promote employment in organised sector. At the same time, these initiatives are also expected to improve life and the dignity of workers by safeguarding their interest, providing social security benefits against risk and regulating terms & condition of work and working conditions.

This paper is an attempt to examine key provisions of the 4 Codes and its implication on the ease of doing business, employment creation, protecting health and safeguarding the interest of workers. The paper also highlights challenges in implementation of some provisions of the Code and suggests modifications to reduce complexity in its compliance.

2. THE CODE ON WAGES

The Code on wages have been notified on August 08, 2019, which aims at extending mandatory minimum wages to all wage workers in the organised as well as unorganised sector. The Code subsumes the relevant provisions of four labour laws on wages-the Minimum Wage Act-1948, Payment of Wages Act-1936, Payment of

Chart 1: Labour Legislations Regulating Work and Working Conditions in India

Source: Developed by Author.

Note: Emp. and Reg. denotes employment and regulation respectively while OSH indicates the Code on Occupational Safety, Health & Working Conditions.

Bonus Act-1965 and Equal Remuneration Act-1972. The Wage Code not only universalizes minimum wage but also ensures timely payment to all irrespective of sector, wage ceiling and gender. According to this Code, those who are working on monthly basis will be paid their monthly salary by the 7th of the next month while those who are working on weekly basis would get their salary on the last day of the week and daily wage workers will be paid on the same day. The employer cannot fix wage period more than a month and it should be either daily or weekly or fortnightly or monthly basis. The mode of payment will be optional: cash, cheque or electronic transfer in bank account of the worker. The wages are required to be paid within two working days in case of removal, dismissal, retrenchment, resignation of workers. Such timelines were not mentioned in the earlier Act. Further,

the limitation period has been increased to 3 years from existing varying period 6 months to 2 years and has been made uniform for filing claims for minimum wages, equal remuneration, bonus etc. The Code prohibits discrimination on the basis of gender in recruitment, promotions and payment of wages for same work or work of similar nature. The Wage Code defines work of similar nature as type of work which requires same effort, skill, responsibility and experience. Earlier, the minimum wages were applicable to workers below a wage ceiling in scheduled employment only and there were around 1,915 minimum wages defined for various scheduled employment categories across various states which has been reduced substantially by fixing it on the basis of geographical location and four skill categories viz., unskilled, semi-skilled, skilled and highly skilled (GoI, 2018-19). However, state may choose either or both of these criteria for fixing minimum wages at the state level. The Central Government shall fix one National Floor wage considering standard of living of workers after consulting the Central Advisory Board comprising representative of employer, trade union, independent person and five representatives from the state government. The State government may fix their own minimum wages based on its own regional and economic condition in consultation with State Advisory Committee but the minimum wages decided by central or state government should be higher than the national floor wages. If the existing minimum wages of central or any state government is higher than the floor wage, they cannot decrease the minimum wage. The minimum wages will be reviewed and revised by the central or state government at an interval not more than five years. The central and state government will fix the number of hours for a normal working day and workers would be entitled to overtime payment which should not be less than twice the rate of his normal wage. All employees whose wage do not exceed a specific monthly amount notified by the central or State Government will be entitled to annual bonus which shall not be less than 8.33% of his wages or 100 whichever is higher and maximum bonus should not be higher than 20% of his annual wages. To minimise litigation, the code adopts uniform definition of wages which includes basic pay, dearness allowance and retaining allowance. The definition excludes bonus, value of house accommodation, HRA, contribution by employer in provident or pension fund, gratuity, overtime payment etc and if the excluded item together exceeds 50 percent of his wages, it will be considered as wages. It would discourage companies to adopt wage structure in which wages are 50 percent lower than total payment. In order to avoid potential malpractices in inspection, web based inspection will be introduced in place of physical inspection and labour inspectors have been assigned the role inspector-cum-facilitator who will advise employer and employee for better compliance of the law. One template will be provided through rules for register, return, forms etc which can be filed online. This would enhance transparency, accountability and enforceability of the law. Any employer who pays less than prescribed wage or

contravenes any provisions of the Code, shall be punishable which may extend to twenty thousand rupees to one lakh rupees fine or three month jail or both in case of repeated offence.

The above mentioned features of the Code on Wages clearly reveals that it would ensure minimum and timely payment to all wage employee irrespective of sector, wage ceiling and gender. It would also facilitate ease of doing business by reducing compliance burden, web based inspection, reducing number of registers and returns to be filed and maintained, submission of returns electronically etc. However, following issues should be addressed for its better implementation and compliance. *Firstly*, the wage code give two separate definition of ‘workers’ and ‘employee’. The definition of workers excludes individual engaged in managerial and supervisory roles while includes employees engaged in sales promotion and working journalist. However, the definition of employees includes individual engaged in managerial and supervisory roles. From the definition, it seems that definition of workers is a sub-set of employees. However, many provisions of the code uses the both the terms interchangeably which may create confusion and hinder its implementation. *Secondly*, the payment of wages act currently extends only to those individual whose monthly wages are less than 24,000 pm. However, no such limit has been identified under the Code on Wages and the provisions relating to payment of wages and deduction from wages have been extended to all ‘employees’. As mentioned, the definition of employees also includes those who are in managerial and supervisory roles including senior employees. This may create confusion while deciding wages and other benefits of senior employees and those in supervisory and in managerial roles. To avoid this problem, wage threshold may be introduced and such provisions should be extended to ‘workers’ only. *Thirdly*, the code extends overtime payment facility to all employees which include those who are in supervisory and managerial position. However, the Code neither sets any wage threshold for overtime payment nor fixed total number of working hours which may affect individual’s health. There is need to include these two aspects while defining the Rules of the Code. *Fourthly*, although the Wage Code reduces number of minimum wages substantially by basing it on the basis of just two criterion viz., level of skill and geographical region but updated information on National Floor wages and minimum wages across states needs to be updated and maintained at Ministry of Labour and Employment’s dashboard. Similar dashboard may be created at state level as well reflecting combination of different wages for different occupation and skill with in the state. Such information may be disseminated using mass media at local level so that workers can be well informed and can bargain with employers efficiently. *Finally*, monitoring mechanism should be introduced and strengthened for better compliance of provision of Wage Code. An easy toll-free number may be provided for registering complains on non-payment of wages and such grievances should be redressed in a time bound manner.

3. THE CODE ON INDUSTRIAL RELATIONS

The Code on Industrial Relations (IR) was introduced in Lok Sabha on November 28, 2019 and has been referred to Parliamentary Standing Committee on Labour. The IR code amalgamates, simplifies and rationalises the relevant provisions of three major acts viz; the Industrial Dispute Act, 1947, the Industrial Employment (Standing Orders) Act, 1946 and the Trade Union Act, 1926. The Code is aimed at promoting ease of doing business by removing redundant provision of earlier labour laws. The Code also safeguard the interest of workers by specifying condition of work at work place, extending social security benefits to fixed term workers, setting up of re-skilling fund, jurisdiction free inspection and grievance redressal in a time bound manner. The Code defines ‘worker’ as an individual who work for hire or reward including those who are engaged in supervisory roles and are getting wages less than 15,000 pm. To generate more employment, the Government has enacted the Industrial Employment (Standing Orders) Central (Amendment) Rules, 2018, popularly known as “Fixed-Term Employment Rules”. The Code also introduces the concept of fixed term workers which includes those workers who are employed for fixed period on the basis of contract signed between employer and worker directly. It reduces the role of middleman, contractor or agency as fixed term contracts are negotiated between employer and employee directly. The Code ensures fixed term workers same wages, benefits (medical insurance, pension) and condition of work as are available to permanent workers who are engaged in work of same or similar nature. Hence, it entitles better working conditions to fixed term workers compared to casual or contract workers. It has the potential of raising the number of jobs as it provides flexibility to employer to hire more workers for a fixed period as per their requirement during peak season, irrespective of the sector. No prior notice or compensation is required to pay such workers once contract period is concluded. The threshold limit in the IR Code for layoff, retrenchment and closure has been maintained at 100 workers while States like Rajasthan, Uttar Pradesh, Uttarakhand, Madhya Pradesh, Andhra Pradesh, Assam and Haryana etc, where threshold limit for layoff has already been enhanced from 100 to 300 through state amendments, have also been protected under this Code. However, the government has the right to modify this threshold at any point of time. This is expected to promote employment generation and may provide enabling environment to small firms to grow. If more than 50 percent of the workers go on concerted casual leave, such mass casual leave will be included under the definition of ‘strike’ and the Code makes it mandatory to provide 14 days prior notice for strikes and lockouts in any establishment. The Code also prescribes at least 10 percent or 100 whichever is less, subject to minimum of 7 workers employed in the establishment can form the trade union and the trade union having at least 75% of the workers as its member shall be recognised as the sole ‘negotiating union’ which can negotiate with the employer in the establishment. If none of the union has at least 75% of workers as

its member, a negotiating council of union will be formed consisting of union representatives that have at least 10 percent workers as its member. In other words, one member will be included to represent for each 10% of the total workers on the roll. To settle industrial dispute, the IR Code proposes to set up two members tribunal against earlier provision of one member tribunal that led to delays in resolution. Further, the government may appoint conciliation officers who may investigate the dispute, hold conciliation proceedings and can impose penalty as well. This is expected to reduce burden on the tribunals that are overburdened with many cases. If settlement is not arrived, either party can approach the industrial tribunal and the award of tribunal will be enforceable within 30 days. Another important feature of this code is that it proposes to set up re-skilling fund to be utilized for re-skilling/ up-skilling of retrenched workers. An employer will have to contribute an amount equal to 15 days of the last drawn wages of every retrenched worker in this fund within 45 days of his retrenchment. This would provide an opportunity to retrenched workers to acquire new skill which would enhance his employability. Further, all industrial establishment employing 100 or more workers must prepare standing orders on the matters listed in the Schedule of the Code relating to condition of employment, working hour, holidays, wage rates, disciplinary action, termination of employment, grievance redressal mechanism etc. in consultation with negotiating union/council to minimise friction between workers and employers and such Standing orders need to be certified from the appropriate authority. Employers are required to provide notice to the workers for any change in the condition of employment listed in the Schedule.

The aforementioned features of the IR Code reveals that it would improve the nature of work and working conditions, improve industrial relations and facilitate ease of doing business by reducing compliance burden. However, following points may be considered to further strengthen its provisions. *Firstly*, this Code is applicable to organised manufacturing only which accounts around 2.5 percent of total workforce in India. The service sector which contributes more than half of India's GDP is out of purview of such law. Therefore, effort should be made to extend its provision to service sector as well to safeguard the interest of workers. *Secondly*, although the threshold limit for layoff, retrenchment and closure has been maintained at 100 workers but central/state government may increase or decrease threshold through a notification. However, upward revision in the threshold by the state will require the President of India's assent. This clause raises confusion regarding whether legislature would decide such threshold or the power would be delegated to the government. *Thirdly*, the Code entitles fixed term workers wages, benefits (medical insurance, pension) and condition of work at par with the permanent workers in the establishment but it does not specify the type of work for which fixed workers may be hired. Further, fixed-term contract are negotiated directly between employer and employee. Workers being weaker party in employer employee

relationship may deter him raising issues relating to working conditions such as denial of social security benefits, paid leaves or overtime work etc. *Fourthly*, the definition of workers have been extended to those engaged in supervisory and managerial roles getting wages up to 15,000 pm but the Code does not define the terms ‘supervisor’ and ‘manager’. Similarly, the Code included contractor in the definition of employer but it doesn’t define the term ‘contractor’. However, the remaining three Codes on labour have defined the term contractor as an individual who supply manpower or deliver work through contract labour. *Fifthly*, many trade unions have indicated that the strict provision 75% support of workers in negotiating union and government intervention in formation of negotiating council may dilute power of the workers to constitute independent body that can safeguard their interest.

4. THE CODE ON SOCIAL SECURITY

The code on Social Security which aims at protecting the workers from economic risk inherent in economic activity, ensures adequate financial and other protection to the workers in the event of health and other contingencies, was introduced in the Lok Sabha on December 11, 2019. Subsequently, it has been referred to the Parliamentary Standing Committee. The Code rationalises and amalgamates relevant provisions of around 15 Labour Act, covering organised as well as unorganised sector. Under this Code, the coverage of ESIC has been extended to all establishment employing 10 or more workers throughout the country. The Code also aims at extending such benefits to workers employed in establishment employing less than 10 workers on voluntary basis and on option basis in plantation activities. However, the Central Government may extend it to any hazardous activities through a notification irrespective of the number of workers in such establishments. The Code proposes to set up social security fund using corpus available under Corporate Social Responsibility (CSR) to provide welfare benefits such as pension, death and disability benefits, medical cover etc. to all workers including platform workers, gig workers, home based workers and unorganised workers. Under the new Code, employee will have the option of reducing contributions in to provident fund from existing 12 percent of the basic salary while employer’s contribution will remain the same at 12 percent. This will increase take home wage of employees and would increase consumption and economic growth. Further, to assess the cases of non payment of provident fund dues, a time limit period of 5 years for initiating the proceeding has been introduced. Similarly, a limited time period of 2 years have been introduced for completion of enquiry by EPFO and ESIC. It would bring transparency and expedite disposal of such cases. The Code extends gratuity benefits to fixed-term workers on pro- rata basis even before completing five years of continuous basis, as recommended in the Payment of Gratuity Act, 1952.

While the Code aim at universalising Social Security benefits to all irrespective of sector, but following observations may be considered for its effective

implementation. *Firstly*, although the Code aims to extend social security to all workers but no concrete scheme has been identified for such workers. After notification of this Code, the various social security schemes available to specific sectors like bidi workers, mining industries, sector specific cesses will be withdrawn. This may further deteriorate condition of such informal workers and push them below poverty level. Further, it is very difficult to provide legislation based social security to informal workers in formal sector, daily wage earners, domestic workers, home based workers, freelance workers etc. where employer employee relationship cannot be defined properly. Under such circumstances, contribution based social security schemes like Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Shram Yogi Mahadan, Atal Pension Yojana etc. may be extended to informal workers (Srija, 2019). A separate social security scheme may be formulated to cover informal workers including self employed workers, casual workers, platform workers, gig workers etc. *Secondly*, the procedure for social security to domestic workers should be simple and user friendly. Otherwise, there will be large exclusion of such workers. *Thirdly*, information relating to workers rights and entitlements should be disseminated widely through mass media, local NGO's, workers unions etc. so that they may be made aware of their rights and can register themselves for their entitlements. *Finally*, monitoring mechanism should be strengthened for better compliance of provisions of the Code on Social Security.

5. THE CODE ON OCCUPATIONAL SAFETY, HEALTH & WORKING CONDITIONS (OSH)

The Code on Occupational Safety, Health and Working Conditions (OSH) proposes to enhance coverage of safety and health provisions by extending it to workers engaged in establishment employing 10 or more workers, which was earlier applicable to establishment employing 100 or more workers in 9 major sectors. In case of mining and dock activities, the code is applicable to all establishments irrespective of number of workers. For ease of compliance, the OSH Code subsumes welfare provisions of 13 central labour laws relating to factories, plantation workers, building and other construction workers, mines & dock workers, motor transport workers, inter-state migrant workers, bidi & cigar workers, journalist & news paper workers, cine & cinema theatre workers, sales and promotions workers etc. The Code was introduced in the Lok Sabha on July 23, 2019 and subsequently referred to the Parliamentary Standing Committee on Labour. In order to enhance its coverage by manifold, the definition of inter-state migrant workers modified to include migrant workers employed directly by employer from other states in addition to those employed by the contactors. Similarly, the definition of working journalist, cine workers and audio visual workers modified to include workers employed in electronic media and all forms of digital audio visual workers. The definition of

family also extended to include widow daughters and dependent grand-parents of the workers. The Code ensures hygienic work environment with sufficient work space, ventilation, comfortable temperature, clean drinking water and toilet facility. The Code also prescribes uniform threshold for welfare provisions like first aid, crèche, canteen, welfare officer etc. As per this Code, an appointment letter with information as prescribed by the appropriate government shall be provided to every employee at the time of joining the establishment. This will safeguard the workers against their exploitation and may promote formalisation of employment. Further, employer will provide free of cost annual health checkups for employees of certain age or establishments as prescribed by the appropriate Government. It is expected to promote inclusion and enhance productivity of workers due to timely detection of disease. It proposes to set up a National Occupational Safety and Health Advisory Board comprising of representatives from employer, trade unions and various state governments which will frame rule and regulations and guide on implementation of different provisions of this Code. This would lead to coordinated policy making due to elimination of multiple local committees under various acts. All workers will be entitled to paid leave in establishment where he had completed 180 days in a year. The Code also permits women to work beyond 7 pm and before 6 am with her consent on fulfilling conditions of safety, transport facility, working hour, holidays etc as prescribed by the appropriate government in respect of the particular establishment. Prior consent from women for night shift would eliminate misuse of this provision of the Code and would promote female work participation. The Code is expected to strengthen compliance mechanism and promote ease of doing business by replacing one return or one license or one registration in place of multiple license and returns in existing 13 labour laws. Similarly, the requirement of obtaining license on the basis of a 'work order' has been removed and a contractor will be issued license for a period of 5 years. Presently, contractors have to obtain license for each type of work on yearly basis. The Code also prescribes penalty for contravening any provisions of the Code. If contravention of any provisions of the Code leads to death of the worker, it will be punishable with fine up to five lakh or 2 years imprisonment or both. The Court may direct that at least 50 percent of fines for death or disability of workers will be paid to their legal heir. This will provide financial support to the family of the deceased and will help in treatment of the injured person.

From the above mentioned features of the Code, it is evident that OSH Code will benefit to both the parties workers and employers. On the one hand, it promotes welfare, health, safety and productivity of workers by ensuring hygienic working environment, better working conditions and extending its ambit to all workers engaged in establishment with 10 or more workers. On the other hand, it drastically reduces to one registration, one returns and one license for an establishment in place of multiple license and returns in existing 13 labour laws which will save

considerable amount of time, resource and would facilitate better compliance mechanism and ease of doing business. However, the compliance mechanism of the Code may be strengthened further by addressing following issues: *Firstly*, the OSH code is applicable to establishments employing 10 or more workers. The bill excludes 81 percent of workers in India employed in unorganised sector employing less than 10 workers. However, the Code mentions that the appropriate government may extend the provisions of Code to unorganised sector as well but its implementation mechanism has not been spelt out. Thus, implementation mechanism of OSH in unorganised sector should be detailed out in the Rules of the Code. *Secondly*, the Code allows overtime work with consent of workers which may affect health of the workers. Therefore, limit on overtime hours should be prescribed. *Thirdly*, contract workers even in the organised sector are not provided adequate protection devices or safety equipments and they are exposed to various health and safety risks. Such workers should also be covered under ambit of the OSH. *Fourthly*, awareness should be created among employers about their responsibility and workers should be trained about their safety needs and rights through wider information dissemination using mass media, local trade unions, NGO's etc. *Fifthly*, the enforcement machinery of the Code may be strengthened by surprise inspection in establishments including in the unorganised sectors. Further, number of inspectors per worker and number of inspections to be conducted per month by officials needs to be specified. Moreover, monitoring mechanism needs to be strengthened by Central Labour Ministry so that inspector cannot use their power to harass enterprise and extract unofficial payments.

6. CONCLUSION

To Sum up, the ongoing restructuring of existing 44 Central Labour Acts into four major codes is expected to reduce the complexity in its compliance, promote employment generation by enabling business environment and facilitate ease of doing business. At the same time, these initiatives are also expected to safeguard life and dignity of workers by protecting their interest, providing social security benefits against risk, ensuring better work & working conditions, suitable and timely payment of wages and hygienic working environment. However, there is need to strengthen the mechanism of its implementation, enforcement and monitoring so that so that the benefits of labour market reform can reach to both workers and employers.

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