

*Review*

# The Contested Terrain of Global Social Policy: Economic Liberalism Versus Social Responsibility

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Welfare of labor is an important aspect today which we cannot ignore if we want progress of our industry. It is essential to make safety and other welfare arrangements for labour. Freedom from want and security against economic fear is the minimum that has to be secured to its people in the country. The role of International Labour Organization in certain standards of social insurance has been significant. Social security is the security that the State furnishes against the risks which an individual of small means cannot, today, stand up to by himself even in private combination with his fellows. The quest for social security and freedom from want and distress has been the consistent urge of man through the ages. The Government and the factory owners must fully understand the labor psychology and a change in their outlook and attitude is desired to secure the industrial peace. Nothing should be done under threat but on a clear understanding that whatever is good and is due to the labor, must be given. Industry owners should treat the workers as co-partners. Similarly, workers in the country must understand fully that if they desire to secure their due place in the industrial economy of the country they must think more in terms of responsibilities and duties and not interpret independence for impertinence and liberty for license. Sabotage and violence of all kinds and bitterness in thought, word and deed must be eschewed. Then alone a socialist Democracy is possible in this country and industrial relations of a higher order can be maintained for the benefit of the country and the community.

**Keywords:** Labour welfare, Social security, globalizing economy

## INTRODUCTION

The mutual conflict between the employer and the employees over the question of adequacy of their respective shares in social produce, constitutes the crux of the labour problem, of which collective bargaining and industrial conflict are the two most important aspects. As industrialization advances the worker is increasingly alienated from his previous socio-cultural world and thus faces various insecurities with regard to income and employment in addition to the natural ones (i.e. sickness, maternity and old age) for which the new order does not have structural provision. This is how the problem of social security arises and revolution has meant urbanization. In ancient times if a person was unable to work on a particular day, he was cared for by the village community or by the members of his family. But now urbanization has so deeply uprooted these values that in times of sickness, unemployment, old age and other similar contingencies a worker has nothing to fall back upon. In modern times social security is influencing both social and economic policy. Social security is the security that the State furnishes against the risks which an individual of small means cannot, today, stand up to by himself even in private combination with his fellows. The quest for social security and freedom from want and distress has been the consistent urge of man through the ages. This urge has assumed several forms according to the needs of the people and their level of social consciousness, the advancement of technology and the pace of economic development. Social security envisages that the members of a community shall be protected by collective action against social risk causing undue hardship and privation to individuals whose private resources can seldom be adequate to meet them. It covers through an appropriate organization, certain risks to which a person is exposed. These risks are such that an individual of small means cannot effectively provide for them by his own ability or foresight alone or even in private combination with his colleagues.

### Historical upbringing of labor laws

The labor laws are helpful in labor welfare and development of a country like India. For welfare of labor, we must understand the history of labor laws and its growth in India. Labor law which is also called employment law is the body of laws, administrative rulings, and precedents which address the legal rights of, and restrictions on, working people and their organizations. As such, it mediates many aspects of the relationship between trade unions, employers and employees. In India, employment laws related to unionized workplaces are differentiated from those relating to particular individuals. In most countries however, no such distinction is made. However, there are two broad categories of labor law.

First, collective labor law relates to the tripartite relationship between employee, employer and union. Second, individual labor law concerns employees' rights at work and through the contract for work. Labor rights have been integral to the social and economic development since the industrial revolution. Employment standards are social norms for the minimum socially acceptable conditions under which employees or contractors will work. Labor law arose due to the demand for workers to have better conditions, the right to organize, or, alternatively, the right to work without joining a labor union, and the simultaneous demands of employers to restrict the powers of worker's many organizations and to keep labor costs low. Employers' costs can increase due to workers organizing to achieve higher wages, or by laws imposing costly requirements, such as health and safety or restrictions on their free choice of whom to hire. Worker's organizations, such as trade unions, can also transcend purely industrial disputes, and gain political power. The state of labor law at any one time is therefore both the product of, and a component of, struggles between different interests in society. Labor legislation in India grew with the growth of industry. In the eighteenth century India was not only a great agricultural country but a great manufacturing country too. Asian and European markets were mainly fed by the looms supplied by India. But the British Government in India as a matter of policy discouraged Indian manufacturers in order to encourage the rising manufacturers of England. Their policy was to make India subservient to the industries of Great Britain and to make Indian people grow only raw materials. The British oppression in India continued for a considerable time which led to the growth of Indian nationalism and to a vigorous renaissance. Nationalism has an obvious economic aspect which in our country was reflected in the urge for economic reforms and for industrialization. In the twentieth century the national movement took a new turn and there was a common demand for the Indian goods. A non-co-operation movement was started which urged upon the people to use goods made in India and to boycott foreign goods. The non-co-operation movement synchronized with periods of economic crisis gave impetus to industrialization. Not only that, growth of Indian private sector owes much to these popular movements. No doubt, the Indian Economists drew their inspiration from British classical Economists but they outgrew those ideas.

Like British Economists, Indian economists not only advocated that the trade and commerce should be free but they lay emphasize on the free trade of local goods. An attempt was made to put forward a theory of economic development and planning suited to conditions of our country. After thirties planning was accepted, by the national movement as its economic ideology. Thus, planned industrialization became our main goal. In India, the plantation industry in Assam was the first to attract legislative control. The method of recruitment of workers in this industry was full of hardships. Workers were employed

through professional recruiters. Workers were not allowed by the planter to leave the tea gardens. A number of Acts were passed to regulate the recruitments. These legislations protected more the interests of the employers than safeguarding the interest of the workers. So a need of labor legislation was felt as development of Industrialization creates a number of social and economic problems like employment of women and children, minimum wages, trade unions, insanitary living quarters and deplorable working conditions in the factories, etc. Labor laws are, therefore, enacted to facilitate their solutions, as ordinary civil laws are inadequate to meet them. The State has adopted a progressive policy, and is keeping pace with the labor policy of the Government of India and the standard laid down by the International Labor Organization. This has produced a plethora of legislation and their administration. These laws also deal with the regulation of industrial relations between the management and the workers.

### **Labor laws vs. Labor welfare**

The history of labor welfare during the pre-independence period, industrial relations policy of the British Government was one of laissez faire and also of selective intervention. There were hardly any labor welfare schemes. After independence, labor legislations have formed the basis for industrial relations and social security. These legislations have also provided machinery for bipartite and tripartite consultations for settlement of disputes. Soon after independence, the government adopted the industrial truce resolution. The process of economic reforms was set in motion when the government introduced a series of measures to reduce control on industries, particularly large industries. Economic reforms, by removing barriers to entry, have created competitive markets. Fiscal stabilization has resulted in drastic reduction in budgetary support to the public sector commercial enterprises while exposing these enterprises to increased competition from private sector. Industrial Labor in India has been characterized as one of the major concerns of the Government which has been the improvement of labour welfare and safety with increasing productivity and provision of a reasonable level of social security. Correctly speaking, industrial labor should stand for all labor engaged in large and small industrial establishments, including cottage industries. However, in India, the term is used, in a restricted sense, to refer to those workers who are employed in organized industries, that is, in those industrial establishments which are covered by the Factories Act. Those workers who are engaged in cottage industries are excluded. Since our factory industries have been growing very slowly since the middle of the 19<sup>th</sup> century, factory of industrial labor has also been increasing slowly. In 1900, the number of workers in our factories was only 5 lakhs. Between 1950 and 1991, the

estimated average daily employment in working factories has increased from 3 million to 8.5 million. Industrial labor is only about 3.0 per cent of the total working population or about 25 per cent of workers engaged in industries. This is a small percentage indeed. But on account of its organization and contribution to national income, industrial labor occupies an important place in the economy of the country. A contented industrial labor will be a great asset to India, but a dis-satisfied industrial labor acts as a drag on development.

Current Position of Labor Welfare in India has exhibited certain well known features which have affected the trade union organization. In the first instance, most industrial workers have their roots in villages. Quite a large number of them have left their traditional occupations and have migrated to the cities in search of permanent or temporary employment. Most of them still retain their attachment to land and the periodic migration from the town to the village is a common characteristic of our industrial labor. Only in recent years, a new class of industrial labor without roots in agriculture is emerging in our towns and cities. Secondly, industrial labor is largely uneducated. As a result, they do not understand the problems which their industries confront and the problems which they themselves are facing. This is also one of the factors for weak trade union organization. Thirdly, industrial labor in India is not united but is divided and sub-divided on the basis of region, religion, language and caste. It is only in recent years that some of these differences are disappearing gradually and some degree of unity on the basis of economic consideration is taking place. Finally, Indian workers do not remain in the same job for considerable amount of time. There is high labor turnover. Absenteeism, in discipline etc. is quite common. This may be because the workers were originally from the rural areas where people were comparatively free; or it may be because of their lack of education and love of leisure.

### **Social security in globalizing economy**

To achieve the social status of individuals and labor, welfare, health and safety is the most important factor and this has been taken into consideration by Indian Govt. from time to time. Let us scrutinize the Indian Labor and welfare laws to ascertain the position of social security of labors. Social security measures are significant from two view points: First, they constitute an important step towards the goal of a welfare State. Secondly, they enable workers to become more efficient and thus reduce wastage arising from industrial disputes. Lack of social security implies production and prevents formation of a stable and efficient labour force. Therefore, social security measures are not a burden but a wise investment which yields dividends. According to the report of the National Commission on labour social security has become a fact of life and these measures have introduced an element of stability and

protection in the midst of the stresses and strains of modern life. It is a major aspect of public policy today and the extent of its prevalence is a measure of the progress by a country towards the idea of a welfare State. It is an incentive for development, substituting as it does hope for fear in the process improving the efficiency of the working force. Freedom from want and security against economic fear is the minimum that has to be secured to its people in the country. It's important has been expressed by die Universal Declaration of Human Rights, everyone as a member of the society has the right to social security and is entitled to realization through national efforts and international cooperation and in accordance with, the organization and resources of each state of economic, social and cultural rights indispensable for his dignity and the free development of his personality. Everyone has the right to a standard of living adequate for the health and well being of himself and of his family, including food, clothing, housing and medical care and necessary social services and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other lack of livelihood, or circumstances beyond his control. The role of International Labour Organization in certain standards of social insurance has been significant. The Social Security (Minimum Standards) Convention adopted embodies universally accepted basic principles and common standards of social security. The application of these principles has guarded developments of this field throughout the world. Thus, Safety and health of workers is highly important to achieve the goal of social security.

### **Statutory and non-statutory provisions in labour welfare**

Labour Welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages. The objectives of labour welfare are to boost the morale and motivation of the employees high so as to retain the employees for longer duration. It includes various facilities, services and amenities provided to workers for improving their health, efficiency, economic enhancement and social status. Employee welfare measures increase the productivity of organization and promote healthy industrial relations thereby maintaining industrial peace. The welfare measures need not be in monetary terms only but in any kind or form. Employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families. The main objective of labour welfare is to serve mankind, to alleviate the burdens of his struggle for existence and to reduce the hardships of life. In every organization, especially factories, suitable seating arrangements are to be provided. First aid appliances are to be provided and should be readily assessable so that in

case of any minor accident initial medication can be provided to the needed employee. A sufficient number of latrines and urinals are to be provided in the office and factory premises and are also to be maintained in hygienic and clean condition. Cafeteria or canteens are to be provided by the employer so as to provide hygienic and nutritious food to the employees. In every work place, such as ware houses, store places, in the dock area and office premises spittoons are to be provided in convenient places and they are to be maintained in a hygienic condition. Proper and sufficient lights are to be provided for employees so that they can work safely during the night shifts. Adequate washing places such as bathrooms, wash basins with tap and tap on the stand pipe are provided in the port area in the vicinity of the work places. Adequate changing rooms are to be provided for workers to change their clothes in the factory area and office premises. Adequate lockers are also provided to the workers to keep their clothes and belongings. Adequate numbers of restrooms are provided to the workers with provisions of water supply, wash basins, toilets, bathrooms, etc.

The companies shall provide the facility for extensive health check-up. The main objective of the flexible time policy is to provide opportunity to employees to work with flexible working schedules. Flexible work schedules are initiated by employees and approved by management to meet business commitments and supporting employee personal needs. Various assistant programs are arranged like external counseling service so that employees or members of their immediate family can get counseling on various matters. To protect an employee from harassments of any kind, guidelines are provided for proper action and also for protecting the aggrieved employee. Employees can avail maternity or adoption leaves. Paternity leave policies have also been introduced by various companies. This insurance scheme provides adequate insurance coverage of employees for expenses related to hospitalization due to illness, disease or injury or pregnancy. In numerous companies employee referral scheme is implemented to encourage employees to refer friends and relatives for employment in the organization.

### **CONCLUSION**

Welfare of labor is an important aspect today which we cannot ignore. If we want progress of our industry, it is essential to make safety and other welfare arrangements for labor. Thus in India, a number of labor legislations has been enacted to promote the conditions of the labor keeping in view the development of industry and national economy. But for industrial regeneration it is necessary that the partners of the industry must cure their respective defects. Since independence both legislation and public opinion have done a lot to better the condition of the workers but unfortunately the employers have not responded very appreciably. It is high time that the

employers must realize that it is their privilege as a citizen of a democratic country to relinquish their acquisitive tendencies of the past and set a new ideal for the future of the country. At the same time it is the duty of the workers and their organizations to improve the work efficiency and help in securing better production resulting in greater profits and prosperity of the industry is ultimately shared by the management, workers and the community at large. The employers should concede to workers a representative voice in the control of the industrial system. Workers are the dominant partners in the industrial undertakings and without their co-operation and good work, discipline, integrity and character, the industry will not be able to produce effective results or profits. However efficient the machine touch in any industry may be, if the human element refuses to co-operate, the industry will fail to run. Therefore, the profit of the industry must be shared between employers, workers and the community; the workers having a dominant share, being the producers of wealth.

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