

**Memorandum Submitted to the
2nd National Commission on Labour
on**

PROPOSED LABOUR POLICY REFORMS

Indian Tea Association

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PREAMBLE

With increasing globalisation of the Indian economy, industries have entered into a much greater competitive environment than ever before. Operating in a market where multiple choices are available, they are called upon to improve quality of their products and at the same time remain cost competitive. This has necessitated, in most cases, business restructuring, adoption of newer technology, changing work practices and processes and consequent manpower readjustments. Industries, today, are also required to become much more flexible to adapt to changing market needs and technological innovations. Remaining anchored to old practices and norms is a sure prescription to oblivion.

The labour laws in this country had a very laudable objective to protect the workers from possible exploitation and ensure some amount of social security. Judicial thinking, which led to many of the enactments, also considered the workers the weaker section to be given a fairer deal. As a result, we not only have a plethora of labour laws, but many of them have created unnecessary restrictions on the employers to reorganise their business and adapt to changing market requirements. Since the laws have been more worker-right oriented, it has made workers more right-conscious rather than duty conscious leading to an erosion of discipline and work culture.

The country has now entered into a phase of liberalisation with many controls on the economy being dismantled. The realisation has come that with too many controls on the economy and socialistic orientation on labour policy, the economy has failed to make rapid progress over the years and business expansion and employment generation has been sluggish. In a scenario where economic forces are accelerating the process of change, employment can only be secure so long as an enterprise where workers are employed is secure and viable. It is, therefore imperative to bring about changes in labour laws to make them consistent with developmental needs in order that larger domestic and international investments can be attracted. There is a need for a shift in labour policy, with major thrust towards development of skills and attitude

conducive towards productive work culture which acts as a stimulus to investment and job creation.

The second National Commission on Labour has come at a most opportune time to examine these issues in depth and recommend measures.

The Indian Tea Association representing the interest of the tea producers suggests the following changes to the Industrial Disputes Act, 1947, Plantation Labour Act 1951, Maternity Benefit Act 1961 (As Amended), Minimum Wages Act, 1948, Payment of Bonus Act, 1965, Payment of Wages Act 1936 (As Amended), Trade Unions Act, 1926, Contract Labour (Regulation & Abolition) Act, 1970.

