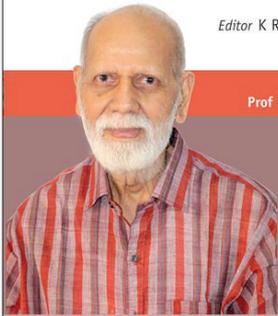


# Contemporary Reforms of Labour Market and Industrial Relations System in India

EASE OF DOING BUSINESS  
VERSUS LABOUR RIGHTS

Editor K R Shyam Sundar



In Honour of  
Prof Lalit Deshpande

Foreword Prof Alakh N Sharma

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### ABOUT THE BOOK:

Post economic reform period, in response to the strident demands of employers, the central and the state governments have undertaken several labour law and governance reforms in trickles. Predictably, trade unions have been opposing them. The reform of labour laws has gained momentum since the assumption of power by BJP-led NDA government at the Centre in May 2014. Recently some state governments like Rajasthan have carried out significant reforms of the labour laws. The NDA government has taken a big stride in the reform initiative by rationalising numerous labour laws into four codes on wages, industrial relations, social security and safety and working conditions. These Codes include significant reforms ensuring flexibility for employers and some benefits for workers. The proposed reforms have far reaching implications. Hence, there is an urgent need for a comprehensive introduction to and analysis of these reform measures in a single volume.

This volume, in honour of Prof L.K. Deshpande, provides rich insights into the contemporary labour law reform debates in a comprehensive manner. Perhaps for the first time, it contains articles primarily from stakeholders in the industrial relations system, viz. representatives of trade unions and employers, business consultants, and [retired] government official in addition to a few academics. All these contributors bring on board rich but diverse perspectives, arising from their long-standing on-field experience, on the changes in and the proposed reforms to labour laws and policies. Thus, this volume is more than an academic read. In this sense, this volume seeks to fill in a critical void in the literature on the ongoing debate on labour law and governance reforms in India. It will hopefully prove to be a major contribution to enabling an understanding of the ongoing labour law and governance reforms and their possible impacts on the ease of doing business and also on workers' rights.

### EDITOR:

**K.R. Shyam Sundar** is currently working as Professor in Human Resource Management (HRM) Area, XLRI, Xavier School of Management, Jamshedpur. Prior to this, he worked as Associate Professor in the Department of Economics in Guru Nanak College, Mumbai University. He has published so far 54 research articles, 11 single-authored books and 2 edited books in the area of

industrial relations and labour economics. He has completed a dozen research projects for organisations like the International Labour Organization (ILO), the European Union. Five of his research projects have been published by ILO. He is on the Editorial Board of Indian Journal of Labour Economics, Indian Society of Labour Economics and Amity Journal of Economics, Amity University.

### FROM THE FOREWORD:

This volume contains a number of papers on some of the important aspects of current perspectives on industrial relations. The volume offers a critical appraisal of the important regulations and reforms as well as broad contours of labour reform and governance in India, while simultaneously accommodating the pro-reform views for consideration. The ongoing exercises on codifying existing legislations on industrial relations and social security have also been covered. It is to the credit of the volume's editor that he has taken diverse perspectives on board, and yet has been able to put into the framework of industrial relations.

I compliment Dr Shyam Sundar for bringing out this important volume in honour of Prof Deshpande. The volume is a must for all those interested in labour markets, industrial relations, labour law reforms, institutions and development.

— **Alakh N. Sharma**, Director, Institute for Human Development and Editor, Indian Journal of Labour Economics

### PROF LALIT DESHPANDE

Prof. Lalit Deshpande received his PhD from the Department of Economics, Bombay University. He later joined the same Department and worked there till 1992 when he retired as the Director of the Department. He served the Department as Professor of Development and Labour Economics. Either singly or in collaboration with his wife, Dr. Sudha Deshpande, he has made significant contribution not only to the field of Labour Economics and Industrial Relations but also to Urban Development, the field of Education and so on. He was closely associated with the Indian Economic Association and the Indian Society of Labour Economics (ISLE). His contribution to the intellectual face of ISLE has been profound and immense. Post-retirement he was associated with several organisations like the Reserve Bank of India, the Institute for Human Development, New Delhi.

## PRAISE FOR THE BOOK

At a time when labour justice dispensation is on its lowest ebb due to the rise of neo-liberalism and the continuing decline of coordinated capitalist developmental models across countries including India, this collection of essays, coming from some of the top names in employment relations and laws in India, is very timely. I am sure it is a very good attempt to revive this discourse. It is a fitting tribute to Professor L.K. Deshpande, who very religiously devoted himself to this field of research, by one of his most promising students.

— **Prof Debi Saini**, *Emeritus Professor of Human Resource Management, IIM Ranchi.*

K.R. Shyam Sundar's book *Contemporary Reforms of Labour Market and Industrial Relations System in India: Ease of Doing Business versus Labour Rights*, in honour of Prof L.K. Deshpande, provides a rich insight into the contemporary labour law reform debates and the economic, political and social changes taking place in India. The different contributors to the book, drawn from diverse fields and representing the viewpoints of various stakeholders, critically examine these changes and the proposed reforms to labour law and policy. It is a valuable contribution to understanding the changes taking place in the world of work in India today.

— **Prof Kamala Sankaran**, *Vice Chancellor, Tamil Nadu National Law School.*

A “must read” comprehensive examination of labour law reforms in India, written by authors from a variety of perspectives, and released at a crucial juncture in India's labour law and labour relations trajectory.

— **Prof Sarosh Kuruvilla**, *Professor of Industrial Relations, Asian Studies and Public Affairs, Cornell University.*

To a rapidly globalising India, the book provides an insight on issues impacting its world of work as also on perspectives of its social partners. India's changing business scenario causing initiatives on labour law reforms have led to intensive debates on its impact on the rights at work as also on ease of doing business. Its comprehensive coverage and stress on bridging decent work deficit is an informative contribution to promoting understanding of an increasingly competitive Indian business environment. Prof L.K. Deshpande's, an avid writer and possessor of immense knowledge on labour economics, thinking is amply projected in the collection of well written papers that Prof K. Shyam Sundar has compiled in his edited volume. His book will prove to be a major contribution in enhancing understanding of the ongoing labour law reforms and their possible impacts on the ease of doing business as also on rights at work.

— **Dr Pravin Sinha**, *President, National Labour Law Association, India; and Secretary General, Indian Industrial Relations Association.*

The making of labour policy now faces the perfect storm of globalisation, artificial intelligence and demographic shifts. Few of the older paradigms are adequate to help us navigate the disruptive waves of the 21<sup>st</sup> century. We need more pragmatism—what works, what doesn't—and less ideology of the right or the left to right the ship. Shyam Sundar brings together a dream team of labour policymakers, advisers and researchers to help us engage in constructive debates that can propel the labour policy reform agenda forward to ensure sustainable economic and social progress.

— **Anil Verma**, *Professor, Rotman School of Management & Centre for Industrial Relations & Human Resource Management, University of Toronto, Canada.*

Prof Shyam Sundar and his colleagues are to be congratulated for a most valuable and timely volume which examines the very important issue of how the industrial relations system in India can be reformed to be more liberal and flexible while protecting and advancing labour rights. This book will be valuable to students, policymakers and practitioners in India as well as enabling an international audience to gain a greater understanding of Indian industrial relations.

— **Russell Lansbury**, *Emeritus Professor at the University of Sydney, Australia and Past President of the International Labour and Employment Relations Association*

This landmark book includes astute analysis by leading authorities on industrial relations and labour law in India. It is welcome and timely, especially as there is growing international interest in this increasingly important country.

— **Prof Greg J. Bamber**, *Monash University, Australia/Newcastle University, UK; Co-editor, International & Comparative Employment Relations: National Regulation, Global Changes (SAGE).*

This volume seeks to fill in a critical void in the literature on the ongoing debate on labour law reforms in India. The proposed reforms have far reaching consequences not only for workers, but also for the entire society. They cover not only organised sector workers, but in one form or another, the entire working class, and hence, by implication, society at large. Indeed, proponents of the dominant paradigms in labour law reform, focus on the supposed rigidity introduced by existing laws for organised sector workers, but address the need for quality employment for workers outside the organised sector. This is also the case for those who are critical of these proposals and the degree of labour market flexibility which is sought to be introduced.

This book has succeeded in putting together diverse perspectives on labour law reform—covering both industrial relations and social security reform. The contributors have an impressive track record of working on these areas—as researchers, employers, or implementers. The central theme in this volume focuses on labour policy and labour flexibility, areas to which Prof Lalit Deshpande, to whom this book is dedicated, has made remarkable contribution which have inspired several generations of scholars and policymakers.

Historically, social dialogue has proved to be valuable in designing labour policies. The diverse voices and perspectives in this book represent all important stakeholders and are well grounded in theory and empirics. They will, I hope, contribute to a consensus, regarding labour and employment policy in India which will ensure an efficient industrial relations system, pivotal to the requirements of sustainable, equitable and inclusive growth in India.

— **Ravi S. Srivastava**, *Professor of Economics, Centre for the Study of Regional Development, School of Social Sciences, Jawaharlal Nehru University, New Delhi and Chairperson, Institute of Development, Studies, Jaipur.*

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