

The impact of the COVID-19 pandemic on the labour market in India and the adequacy of legal protection for workers during the pandemic.

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Abstract

It is commonly known that labour in India has been caught in an unparalleled crisis in recent memory due to the COVID-19 outbreak. Most workers' jobs and means of subsistence have suffered greatly, and much uncertainty still hangs over their near future. This essay explores the ongoing issues and focuses on how the epidemic has affected the Indian work environment. However, the severe vulnerability of the nation's labour force, made clear by the current crisis, did not appear overnight and must be understood in the context of the so-called economic reforms, particularly those that took place during the six years before the current administration.

Keywords- *COVID-19, workers, labour., labour law. Rights, Employment & informal sector*

Objective:

- To analyze the pre and post-COVID situation of workers due to the pandemic.
- to analyze the labour law and what changes can be made to protect the rights of works during the pandemic.
- To analyze workers in the informal sector.

Introduction

The Indian Prime Minister (PM) announced a national lockdown on March 24, 2020, at 8 p.m., to implement it in just four hours. Without any planning or preparatory guidelines, the announcement was made on short notice and addressed basic concerns of supporting those whose livelihoods had been threatened. This group included daily wage workers, who made up a significant portion of the unorganised/informal workforce in the country, which accounted for over 90% of the workforce. By all accounts, it was the most extreme COVID-19 "shock and awe" lockdown in history, leaving many workers and the public to fend for themselves. This "betrayal" of the dictatorship caused hundreds of people to move in an unprecedented, terrible, and desperate way.

Literature review

The COVID-19 pandemic has brought about unprecedented challenges to economies worldwide, with profound implications for the labour market. In India, the pandemic's impact on employment and the adequacy of legal protections for workers has been a subject of growing concern among researchers and policymakers. This literature review aims to examine existing studies and analyses on this topic, shedding light on the multifaceted dimensions of the crisis and the policy responses employed to mitigate its effects. Impact Of COVID-19 On the Rights Of Labourers And Workers In India

Methodology

To conduct a comprehensive research study on the impact of the COVID-19 pandemic on the labour market in India and the adequacy of legal protection for workers during this crisis, I use quantitative and qualitative data sources to analyse the impact of the pandemic on employment and the cases related to workers in court during COVID 19 pandemic.

The rights of labourers in India

The impact of COVID-19 on the rights of labourers and workers in India has been significant, as highlighted in the sources provided. During the pandemic, labourers receiving daily wages became one of the most vulnerable groups in India, with the government failing to safeguard their rights adequately. Several state-level governments, such as those in Gujarat, Uttar Pradesh, Madhya Pradesh, Himachal Pradesh, and Punjab, have decided to extend the maximum working hours for laborers from eight to 12 hours. Additionally, they have temporarily suspended several labor laws.

Migrant workers were particularly hard hit by the pandemic, facing challenges such as lack of transportation and accommodation, leading them to travel long distances on foot. This not only exposed them to health risks but also left them without employment due to the nationwide lockdown. The suspension of laws protecting labour rights further exacerbated their plight, with many not receiving government support or essential resources during this crisis.

The response by the judiciary varied, with the Indian Supreme Court failing to address the crisis adequately while High Courts took more proactive measures to protect labourers' rights. For instance, the Karnataka High Court reprimanded the state government for collecting train fares from labourers, emphasizing the need to ensure the rights of vulnerable groups like migrant workers.

Overall, the impact of COVID-19 on the rights of labourers and workers in India underscores the urgent need for comprehensive legal protections and policy measures to safeguard their well-being during crises and prevent exploitation in times of economic uncertainty.

RESPONSE BY THE JUDICIARY

The Indian Supreme Court didn't acknowledge the severity of the crisis faced by migrant laborers. Despite a petition filed by Alakh Alok Srivastava, an expert in labor law, highlighting the dire situation, the government's response focused only on a fraction of the affected workers, claiming to have provided shelter and food to a limited number. However, the court overlooked the millions of other migrant workers stranded across the country.

The Solicitor General asserted that no migrants were walking as of a specific time, but reports contradicted this claim, with numerous incidents of stranded workers being reported nationwide. Despite these discrepancies, the Supreme Court accepted the government's assertions, ignoring the broader reality while states suspended many labor laws.

In contrast, the High Courts responded more sensitively to the laborers' plight. For instance, the Karnataka High Court criticized the state government for charging train fares from laborers and questioned if it would stray from the national policy of aiding financially distressed workers to return home. The Andhra Pradesh High Court directed the setup of tents for homeless migrants, while the Patna High Court took proactive measures to address the needs of vulnerable children, including those of laborers, affected by the lack of mid-day meals.

THE NEED TO ENSURE THE RIGHTS OF LABOURERS

Human rights are universal and belong to everyone, regardless of differences. The International Labour Organization's Declaration on Fundamental Principles and Rights at Work, established in 1998, emphasizes that mere economic growth isn't sufficient for ensuring fairness and social advancement.

However, the Indian government seems overly focused on attracting foreign investment to revive the economy, sidelining the dire situation faced by laborers nationwide. In the midst of the unprecedented challenges posed by the COVID-19 pandemic, laborers are struggling to access basic necessities for survival.

Regrettably, instead of prioritizing the well-being of these vulnerable individuals, the government appears to view them merely as tools for economic advancement. This approach disregards their fundamental rights and places them at risk for the sake of economic growth.

Labour law in India

In the pandemic labour law helps the workers by changing various laws to protect the rights of workers and ensure their safety and welfare in the workplace.

This is the law related to workers.

1. The Industrial Disputes Act, 1947: This Act provides a mechanism for the settlement of industrial disputes between employers and workers.

2. The Employees' State Insurance Act, 1948: This Act provides for the establishment of a fund to provide social security benefits such as medical care, sickness, maternity, and death benefits to employees.
3. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952: This Act provides for the establishment of a fund for the benefit of employees and their families.
4. The Factories Act, 1948: This Act regulates working conditions in factories and provides for the safety, health, and welfare of workers.
5. The Payment of Gratuity Act, 1972: This Act provides for the payment of gratuity to employees who have completed five years of continuous service with an employer.

Change in labour law.

Three regulations—the Occupational Health and Safety and Working Conditions Code (2020), the Industrial Relations Code (2020), and the Code on Social Security (2020)—were created by combining 29 Central Labour Laws, which substantially accelerated labour reforms. This reorganization would safeguard the well-being of diligent workers while advancing the economy. The new labour regulations, which also give worker safety in job sites first priority, aim to pay salaries promptly and to universalize the minimum wage. These three codes are:

The Occupational Safety, Health, and Working Conditions Code: This law combines and updates 13 existing laws about keeping workers safe, healthy, and ensuring good working conditions. It's meant to make sure that all workers, including those who work informally, have a workplace that's safe and healthy.

The Industrial Relations Code: This law brings together and replaces three older laws about how unions work, how to solve problems between workers and employers, and how they

negotiate together. Its goal is to encourage peace between workers and bosses in industries and help them solve any disagreements they might have.

The Code on Social Security: This law gathers and updates nine laws about social security, like pensions, insurance, and benefits for new mothers. Its aim is to make sure that all workers, even those who work without formal contracts, have access to social security benefits.

Covid-19 and the lockdown impact: Estimating the unemployment and job losses in India's informal economy.

According to the Periodic Labour Force Survey (PLFS), a staggering 90% of the total workforce, which equals 419 million out of 465 million workers, are part of the informal sector. Among these workers, 95% reside in rural areas and 80% in urban areas. Rural areas have a significantly higher number of informal workers, with 298 million compared to 121 million in urban areas. This discrepancy is largely due to the prevalence of agricultural activities, which engage 62% of informal workers in rural regions, compared to only 8% in urban areas.

The impact of the lockdown due to the COVID-19 pandemic is felt more severely by informal workers in urban areas, especially those engaged in non-agricultural sectors such as manufacturing, trade, construction, transportation, and finance. Approximately 93 million informal workers in these sectors are most vulnerable to the economic fallout caused by the lockdown.

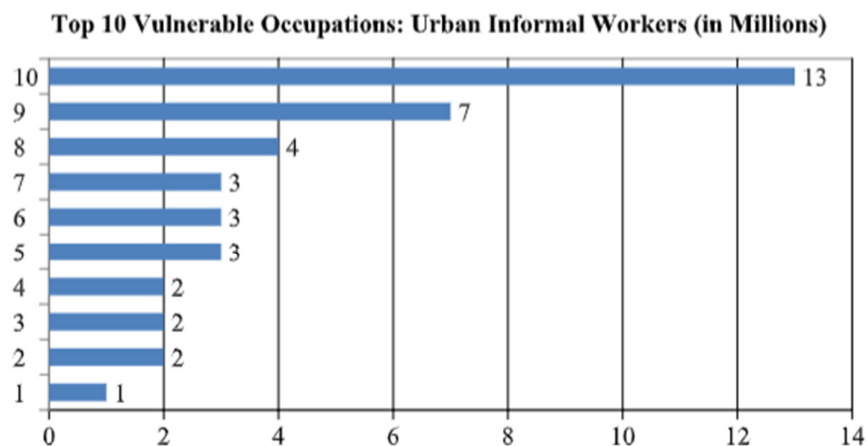
Among these vulnerable workers, around 50% are self-employed, 20% are casual laborers who earn daily wages, and 30% are salaried or contract employees without any social safety net.

Casual laborers, in particular, face heightened vulnerability due to the unpredictable nature of their work and dependence on daily wage payments, especially prevalent in the construction sector.

It's concerning that many of these workers, including regular salaried or contractual employees, those currently unemployed, and skilled workers and small-scale vendors who may be unable to operate during the lockdown, may struggle to regain their jobs once restrictions are lifted.

Additionally, the implementation of precautionary measures like social distancing and health protocols in workplaces and markets could further strain the employer-worker relationship,

deviating significantly from the usual business operations.



Source: PLFS, 2017-18

Imagine there are around 40 million people who work in cities but in jobs that aren't very secure. These jobs include things like working in small shops, construction, cleaning, and selling things on the street. When the COVID-19 lockdowns happened, many of these people lost their jobs. This means they suddenly didn't have any way to earn money to support themselves and their families.

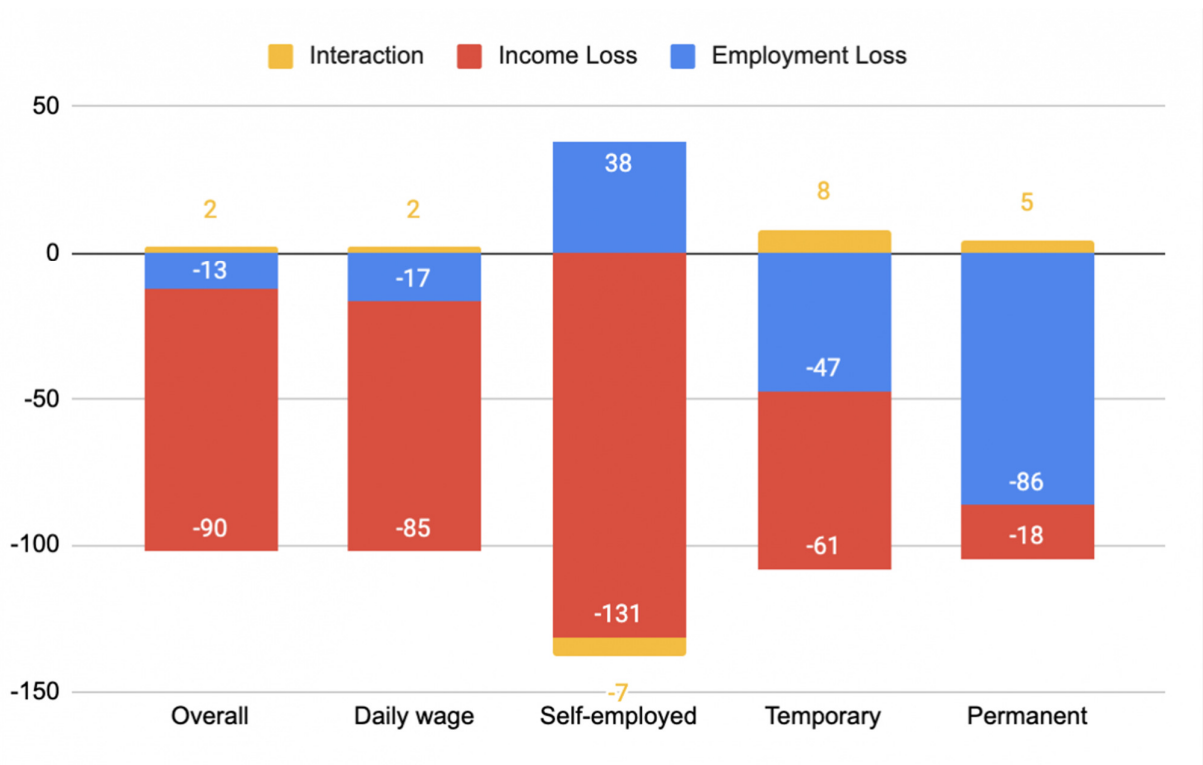
Now, there are also many people who work in companies that aren't officially registered. These companies might not be big, but they still employ a lot of people. After the lockdowns, some of these companies might not be able to reopen, which means more people could lose their jobs.

On top of that, there are people who work for themselves, like street vendors. With no customers during the lockdown, they couldn't make money either. Even when things go back to normal, many of them might not have enough money to start their businesses again, especially if they had to leave the city and go back to their hometowns.

So, the government has a big job to do. They need to help two groups of people: first, those who lost their jobs during the lockdown, especially migrant workers who had to leave their cities, and second, those who were already looking for jobs even before the pandemic hit.

It's not just about giving these people money. It's also about making sure they have food and a place to stay while they figure things out. The government, along with NGOs and even the Supreme Court, have set up shelters and food camps to help millions of people who are struggling right now.

But it's not just about the immediate help. The government also needs to think about how to help these people in the long term. They need to find ways to create new jobs and support small businesses so that everyone can get back on their feet again. It's a big challenge, but it's important to make sure that nobody gets left behind.



This figure indicates the income loss and employment loss during the COVID-19 pandemic

Conclusion

The impact of the COVID-19 pandemic on the labor market in India has been profound, revealing the vulnerabilities and inadequacies in the existing legal protections for workers. The sudden national lockdown imposed in response to the pandemic left a significant portion of the workforce, especially daily wage workers and those in the informal sector, in a state of distress and uncertainty. The lack of preparedness and support mechanisms exacerbated the challenges faced by workers, highlighting the need for comprehensive reforms in labor laws and social security measures.

The essay sheds light on the complexities and shortcomings of India's labor laws, emphasizing the need for a more flexible and inclusive regulatory framework. The inflexibility of existing laws, coupled with the large percentage of workers in the informal economy not covered by labor regulations, underscores the urgent need for reforms to ensure the protection and well-being of all workers.

Moving forward, it is imperative for the government to collaborate with industry stakeholders to address the immediate challenges posed by the pandemic and allocate resources to support workers' wages and health. Long-term measures should focus on enhancing the applicability of labor laws, expanding social security coverage, and promoting a more equitable and sustainable work environment for all workers in India.

In conclusion, the COVID-19 pandemic has exposed the fragility of the labor market in India and the shortcomings in legal protections for workers. Addressing these issues requires a concerted effort from policymakers, industry leaders, and civil society to create a more resilient and inclusive labor ecosystem that prioritizes the well-being and rights of all workers.

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