

Changes In Industrial And Labour Policy

In this article we are discussing important changes in industrial and labour policy

Industrial Policy Resolution, 1948

IPR, 1948 was to lay down the foundation of mixed economy whereby the private and public sector was accepted as important components in the development of industrial economy of India. It is the first industrial policy of independent India.

Industries (Development and Regulation) Act (IDRA), 1951

- IDRA, 1951 gave powers to the government to regulate industry in a number of ways.
- The main instruments were the regulation of capacity (and hence output) and power to control prices.
- Even the expansion of these businesses required prior approval from the government, indicating that the output capacity was severely restricted.
- It listed a schedule of industries that were subject to licencing.
- The distribution and pricing of the output produced by the industries included in the schedule were likewise under the jurisdiction of the government.
- As a result, the bureaucracy was able to exert close to total control over the nation's industrial growth.

Industrial Policy Resolution, 1956

IPR, 1956 divided the industries into the following three categories:

- Schedule A industries: This schedule had 17 industrial areas in which the Centre was given complete monopoly
- Schedule B industries: There were 12 industrial areas put under this schedule in which the state governments were supposed to take up the initiatives with a more expansive follow up by the private sector
- Schedule C industries: All industrial areas left out of Schedules A and B were put under this in which the private enterprises had the provisions to set up industries.

Industrial Policy Statement, 1973

Core industries, a new classification phrase, was developed. In this group were the industries that were fundamental to the growth of other sectors, including iron and steel, cement, coal, crude oil, oil refining, and electricity.

New Industrial Policy of 1991

The broad objectives of New Industrial Policy are as follows:

De-reservation of the industries The industries which were reserved for the Central Government by the IPR, 1956, were cut down to only eight. In coming years many other industries were also opened for private sector investment.

De-licensing of the industries The number of industries put under the compulsory provision of licensing (belonging to Schedules B and C as per the IPR, 1956) were cut down to only 18.

Reforms regarding the area were further followed and presently there are only four industries which carry the burden of compulsory licensing:

- Aero space and defence related electronics
- Gun powder, industrial explosives and detonating fuse
- Dangerous chemicals
- Tobacco, cigarette and related products

Abolition of the MRTP Limit The MRTP limit was ₹100 crore so that the mergers, acquisitions and takeovers of the industries could become possible.

The MRTP Act was replaced in 2002 by the Competition Act. The Competition Commission has begun operating in place of the MRTP commission (albeit there are still some issues with the latter's compositional form, as well as its actual responsibilities and jurisdictions). encouraging foreign investment The Indian economy, which operates as a typical closed economy, has never exhibited any good trust towards international investors. In this sense, the new industrial policy was revolutionary. The government decided to promote foreign investment (FI) in both its direct and indirect forms in addition to weakening the onerous FERA.

The government committed in 1991 itself to replace the draconian FERA with a highly liberal FEMA, which came into effect in the year 2000–01 with a sun-set clause of two years.

Disinvestment

Disinvesting entails 'selling ownership' in a business. Although technically the phrase might be applied to any firm (i.e., a privately owned company), in reality it is exclusively applied to government-owned businesses. As a tool for public sector changes, as part of the economic reform process (i.e., as part of the de-reservation of industries), and as a tool for resource mobilisation for budgetary demands, disinvestment began in the nation with three interrelated coordinates.

Disinvestment started in India with a high political caution—in a symbolic way known as the '**token**' **disinvestment** (presently being called as 'minority stake sale').

In order to make disinvestment a process by which efficiency of the PSUs could be enhanced and the government could de-burden itself of the activities in which the private sector has developed better efficiency (so that the government could concentrate on the areas which have no attraction for the private sector such as social sector support for the poor masses), the government initiated the process of strategic disinvestment

To promote Industrialization, various other steps:

In 2006, a new legislation **Micro, Small and Medium Enterprises Development Act** was enacted which defined Micro, Small and Medium enterprises. The medium enterprises were introduced for the first time in 2006

Government of India first introduced the **concept of SEZ** in the export import policy 2000 with a view to provide an internationally competitive and hassle-free environment for exports

National Investment and Manufacturing Zones (NIMZs) will be developed as integrated industrial townships with state-of-the art infrastructure and land use on the basis of zoning; clean and energy efficient technology; necessary social infrastructure; skill development facilities, etc., to provide a productive environment to persons transitioning from the primary sector to the secondary and tertiary sectors

An **industrial corridor** is a package of infrastructure spending allocated to a specific geographical area, with the intent to stimulate industrial development. It aims to create an area with a cluster of manufacturing or other industry. 11 Industrial Corridors Projects are being taken up for development with 32 Projects to be developed in 04 phases up to 2024-25 which are Delhi Mumbai Industrial Corridor (DMIC), Chennai Bengaluru Industrial Corridor (CBIC), Amritsar Kolkata Industrial Corridor (AKIC), East Coast Industrial Corridor (ECIC) with Vizag Chennai Industrial Corridor (VCIC) as Phase 1, Bengaluru Mumbai Industrial Corridor (BMIC), Extension of CBIC to Kochi via Coimbatore, Hyderabad Nagpur Industrial Corridor (HNIC), Hyderabad Warangal Industrial Corridor (HWIC), Hyderabad Bengaluru Industrial Corridor (HBIC), Odisha Economic Corridor (OEC), Delhi Nagpur Industrial Corridor (DNIC).

Labour Codes:

"Labour" is a subject in the "Concurrent List" under the Constitution of India where both the Central and State Governments are competent to enact legislations subject, however, to reservation of certain matters for the Central Government.

Labour Code on Wages includes:

1. The Payment of Wages Act, 1936
2. The Minimum Wages Act, 1948
3. The Payment of Bonus Act, 1965
4. The Equal Remuneration Act, 1976

Labour Code on Industrial Relations includes:

1. The Trade Unions Act, 1926
2. The Industrial Employment (Standing orders) Act, 1946
3. The Industrial Disputes Act, 1947

Labour Code on Social Security & Welfare includes:

1. The Employees' Compensation Act, 1923
2. The Employees' State Insurance Act, 1948
3. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
4. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
5. The Maternity Benefit Act, 1961
6. The Payment of Gratuity Act, 1972
7. The Cine Workers Welfare Fund Act, 1981
8. The Building and Other Construction Workers Welfare Cess Act, 1996
9. The Unorganised Workers' Social Security Act, 2008

Labour Code on Occupational Safety, Health & Working Conditions includes:

1. The Factories Act, 1948
2. The Plantations Labour Act, 1951
3. The Mines Act, 1952
4. The Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955
5. The Working Journalists (Fixation of Rates of Wages) Act, 1958
6. The Motor Transport Workers Act, 1961
7. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966
8. The Contract Labour (Regulation and Abolition) Act, 1970
9. The Sales Promotion Employees (Conditions of Service) Act, 1976
10. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
11. The Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981
12. The Dock Workers (Safety, Health and Welfare) Act, 1986

