STUDY NOTES · BASIC CONCEPT

What is “Absence of labour protections and contract enforcement”?

Society & Social Justice

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Absence of labour protections and contract enforcement relevant laws in India.

1. Labour Protection Laws

- These laws are meant to protect workers from exploitation:
- Minimum Wages Act, 1948 – ensures payment of legally fixed minimum wages
- Payment of Wages Act, 1936 – mandates timely payment without illegal deductions
- Contract Labour (Regulation and Abolition) Act, 1970 – protects contract workers from unfair conditions
- Industrial Disputes Act, 1947 – provides mechanisms for dispute resolution
- Occupational Safety, Health and Working Conditions Code, 2020 – ensures safe working conditions
- Code on Wages, 2019 – consolidates wage-related protections
- In informal sectors such as film, media, and the gig economy, these laws are often poorly enforced, leading to exploitation.

2. Contract Enforcement Laws

- Indian Contract Act, 1872 – makes contracts legally binding
- Civil Procedure Code (CPC) – provides remedies like recovery of dues and damages
- Specific Relief Act, 1963 – allows enforcement of contractual obligations
- When enforcement is weak, employers violate contracts without fear of consequences.

Punishments for Violations

Under Labour Laws

- Non-payment of wages: fines and/or imprisonment (up to ₹1 lakh and jail in serious cases, depending on the law)
- Violation of safety or working conditions: fines and cancellation of licences
- Repeat offences: higher fines and imprisonment

Under Contract Law

- Breach of contract:

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- Monetary compensation
- Recovery of unpaid dues
- Legal damages through courts
- The main problem is not the absence of punishment, but weak inspections, delayed justice, fear of retaliation, and poor implementation.

Why This Is a Serious Governance Issue

- Violates Article 21 (Right to life with dignity)
- Weakens rule of law and labour governance
- Encourages exploitation in informal sectors
- Increases power imbalance between employers and workers

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