
CONTRACT LABOUR

Chhaya Ishwardas Chouliwar, Research Student
Dr. Vinod Khapne, Supervisor

Abstract - Contract Labour is not new to India. In the early stages of industrialization, the recruitment of labour was primarily through intermediaries due to lack of mobility, low status of labourers, caste, religion and language. These obstacles were overcome by appointing middlemen, also called contractors. After independence, the Indian government formulated several laws and appointed many committees to study the socio – economic conditions of labour. But after globalization, the contract labour system has been the growing form of employment prevalent in almost all industries. Its preview has shifted from agriculture and manufacturing sectors to service sector. To become competitive in the global market, companies use flexible labour force like contract labour. The contract labour system generally refers to labour engaged through an intermediary employer, the contractor (including the sub – contractor) and the labourers. The labourers are millions in number and generally belong to the unorganized sector. They have little bargaining power, no social security and are often engaged in hazardous occupations endangering their health and safety. They are often denied minimum wages and have little or no security of employment. This pattern of employment has serious consequences in the service industry as a whole, especially in the high performing power generation industry.

Keywords: Contract Labour, Industrialization, unorganized sector, Form of Employment.

1 INTRODUCTION

Poverty reduction is the prime aim of any welfare state. The need to reduce absolute poverty and the related income gap paved the way for the economic development in developed and developing countries. Economic development can be achieved by ensuring proper distribution of national income and inclusive growth. Economic opportunity and through protection of employment. India is a country with the largest labour force in the world. In the last two decades most countries including India, have liberalized their labour market and amended some labour laws to attract greater investment. This economic liberalization has turned the labour market more flexible in favour of capital.

2 TYPES OF CONTRACT LABOUR

‘Contract Labour’ can be broadly divided into two main categories, one being on Job contracts and the other, on Labour contract. Under the Job contract, employer allot particular work or jobs to the contractor for a lump-sum payment, wherein the material and labour would be of the contractor. Once the job is complete, they will move to the next contract. In this way, the production takes place at a location other than the establishment which has given the contract.

On the other hand, the ‘labour Contract’ is the one in which the contractor supplies only the labourers to the principal employers for a specific work when needed, where the machine and the material would generally belong to the principal employers. The payment for these labourers is done by the contractor on the basis of the terms of contract between the principal employer and contractor. For the supply of labourers, the contractor will get a remuneration or commission. But in both forms, the contract labour is neither borne on pay roll, muster roll or wages being paid directly by the principal employer. The establishment giving the contracts have no direct responsibility of the contract labour. (Ministry of Labour, 1997). The remuneration of the contract labourers appears to be different from what the regular employee who are engaged in the similar jobs get.

3 OBJECTIVES OF THE STUDY

1. To study the demographic variables of the contract labour.
2. To evaluate the economic conditions and primary factors influence on determination of the contract basis labour.
3. To assess the working conditions, welfare measure, and social security measure provided to the contract basis employees.
4. To study the role of contract basis employees in trade union activities.
5. To suggest ways and means for the betterment of the contract basis employees based upon the present study.

Limitation of the study

1. There will be no control over demographic of contract basis employees.
2. There will be no control over economic status of contract basis employees.
3. There will be no control over type of work carried out by employees.

4 RESEARCH METHODOLOGY

Research methodology includes the research design and the specific procedures used in conducting study. This includes information regarding design, sample selection, research instrument and its development, data collection method and methods of data analysis.

➤ Primary Source of Data Collection

In Survey methodology, primary data is collected by using various methods, which included observation, interview, questionnaire etc. by considering various aspects such as cost, convenience, approach, time and effectively in this study, self – prepared questionnaire were used as a primary source of data collection.

➤ Secondary Source of Data Collection

In proposed study, submitted thesis to various universities, Journal Articles, Newspapers, Magazine were used as a secondary data as well as books from different libraries will also be used to gather information regarding subject. In addition to this, annual economic reports, census data will also be considered in the study as a secondary source of information.

Hypothesis of the Study

1. There is no significant difference between the age of the contract basis employees and their level of income.
2. There is no significant difference between work types of the contract basis employees and their level of income.
3. There is no significant difference between the literacy level of the contract basis employees and their level of income.
4. There is no significant difference between the working hours per day of the contract basis employees and their level of income.
5. There is no significant difference between the level of satisfaction of contract basis employees in work place facilities with respect to age, marital status, family type, work type, income level, education and community.

5 CONCLUSION

“Contract Labour” refers to a system where workers are hired through a third – party contractor instead of directly by the company, often leading to potential exploitation due to less job security and benefits.



However, legislation like the contract labour (Regulation and Abolition) Act aims to protect these workers by setting standards for their working conditions and ensuring fair treatment, though concerns remain regarding full implementation and enforcement of these regulation to prevent exploitation.

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