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LABOUR LAWS AND SPECIAL ECONOMIC ZONES IN INDIA

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Abstract

There are various Acts which are pertinent to the Indian Special Economic Zones to covenant the different problems of labors in Special Economic Zones region. Workers in Special Economic Zones are availed variety of amenities. They are mostly experiencing training within the Zone and hardly ever the trainings are presented in outside India. Few workers have stated that they were receiving Double the Wage Rate for Overtime Work. Most of the employees in units located in Special Economic Zones have been satisfied with the minimum wages, additional remuneration, availing leave, total working hours, working time, training, safety measures and equal treatment. Workers were dissatisfied on holiday entitlement, skill development and additional remuneration. Few of the labors specified that they are feel stress due deadline and similarly they had some health dilemma due to existing working situation in Special Economic Zones.

Key words: Madras Special Economic Zone, Mahindra World City Chennai Special Economic Zone and Labour Laws.

Introduction

Business calm is a *Sin qua non* for soft perform of business enterprises. Special Economic Zones are not a discharge to this diction. There are various Acts which are pertinent to the Indian Special Economic Zones to covenant the different problems of labors in Special Economic Zones region. Minimum Wage Act passed for statutorily setting up of minimum wages to be assured for skilled and unskilled labor. Factories Act expressing with safety, health and welfare situation of the workers, in addition to the working hours, various types of leaves, holidays, overtime allowance and children employment. Equal Remuneration Act specifying there is no prejudice on payment between male and female labors. Contract Regulation and Abolition Act prescribing with the requisites and circumstances of contract workers. Industrial Dispute Act dealing with the orientations to arguments to boards, tribunals and courts. Workman Compensation Act expressing with the sum of reward to be paid at the time of closure of the company. Publication of working times, shifts and wage rate are dealt as per Industrial Employment Act. Trade Union Act is stating with the establishment of trade unions and right to strike for the employee's welfares. Provident Funds, Gratuity, Group Insurance and Compensation are coming under the purview of Social Security Measures. As the industrial units located in Special Economic Zones are receiving safeguard from many of the legislations like Income tax Act, custom clearance etc., there is a require for evaluating as to how far the labor laws are execute to set up industrial harmony and at a halt fulfill the objectives for which it was recognized.

Review of Earlier Studies

Export Processing Zone is an instrument for creating the employment opportunities in Philippines (Warr Peter G. 1987), in Africa, Central America, Costa Rica, Honduras and Nicaragua (Jenkins 1998), in South Korea, Philippines, Indonesia, Malaysia, Sri Lanka and China (Kankesu Jayanthakumaran 2003), in Mauritius (Rojid Sawkut, Sannasee Vinesh and Fowdar Sooraj 2009).

Mayumi Murayama and Nobuko Yokota (2008) point out that in South Korea working conditions in Export Processing Zones are better than the jobs outside the Export Processing Zones. Special Economic Zones wages and other monetary benefits are far better than in the domestic economy in China (Feng, H. 2006) and in South Korea (Mayumi Murayama and Nobuko Yokota 2008).

Special Economic Zones employment generation had been a failure in Central America (Jenkins, M., O. Esquivel, and Felipe Larrain B 1998), in Senegal (MadaniDorsati 1999), in Kenya (Rolfe, R., W. Douglas, and K. Bernard Kagira 2004). Aggarwal Aradhna (2007) reported that in India the minimum wages received by the workers in the Zone is lower than what the management reportedly issuing.

Employment generated from Cochin Special Economic Zone is vary from one sector to another and there is a difference in employment contribution pre and post Special Economic Zone Act period (Nidheesh K B 2013).SpecialEconomic Zones contribute 6 per cent of the manufacturing employment in Bangladesh and 10 per cent in Sri Lanka (Aggarwal Aradhna 2006).

According to MadaniDorsati (1999) wages received from the Special Economic Zone is the main source of income of women workers in Dominican Republic. Cochin Special Economic Zone contributed good proportion of employment opportunities to the female workers when compared to other Zones in India (Ministry of Commerce, GOI).

Women workers were getting less wages and due to the nature of employment in Special Economic Zones women workers were thrown out of employment (Kusago, T., and Z. Tzannatos. 1998).

Workers employing in Special Economic Zones were not satisfied with the working condition offered by the zones (Jeremy Grasset and Frederic Landy 2007).

Objectives of the Study

For conducting detail study, the following objectives were framed.

1. To study various facilities availed to the workers in Madras and Mahindra World City Chennai Special Economic Zone during the period under study.
2. To analyze the satisfaction level of workers about working conditions availed in Mahindra World City Chennai Special Economic Zone under the study period.
3. To understand the health condition of workers employing inMadras andMahindra World City Chennai Special Economic Zone under the study period.

Methodology of the Study

A Field Study Method was used for analyzing working environment of Special Economic Zones in India with reference to Madras and Mahindra World City ChennaiSpecial Economic Zone. Madras Special Economic Zones being one of the oldest Government of India supported Special Economic Zones and Mahindra World City ChennaiSpecial Economic Zones is one of the oldest private supported Special Economic Zones in India. Hence researcher chooses Mahindra World City Chennaiand Madras Special Economic Zones are the sample units

The Primary data was collected by way of discussion with workers of the Special Economic Zone units.Researcher had approach 500 workers (250 from Madras Special Economic Zone and 250 from Mahindra World City Chennai Special Economic Zone) to understand their views about the working of Special Economic Zones.

Working hours in Special Economic Zone

Factories Act deals with the time of working hours for industrial units located in Special Economic Zones, whether these provisions are applying in their concerns. While bearing in mind that the examiner had discussion with the employees about the working hours in Units located in Special Economic Zones and the same is obtainable intable 1.

Table.1
Working hours in Special Economic Zones

Working hours	Percentage of workers	
	MSEZ	MWCSEZ
Up to 8	26%	30%
8 to 10	69%	65%
11 to 13	5%	5%
Above 13	Nil	Nil

Sources: Primary data collected during the field study

Most of the employees convey that the average functioning hours per day is 8 to 10 hours and 5% of the workers stated that their duty hours are more than 10 hours. This reflects that Special Economic Zone Act validating to duty hours is adhered to.

There is no difference on working hours available to the units located in both Special Economic Zones namely Madras and Mahindra World City.

Basic facilities in Special Economic Zones

The Employers have to afford a range of facilities to employee's to please them, which comprises food, accommodation, medical, insurance and good working conditions. The table 2 shows for decision out as to whether all these amenities obtainable to the employees on Special Economic Zones.

Table.2
Basic facilities providing to employees in Special Economic Zones

Basic Facilities	YES		NO	
	MSEZ	MWCSEZ	MSEZ	MWCSEZ
Food	29%	39%	71%	61%
Accommodation	16%	18%	84%	82%
Medical Reimbursement facility	62%	60%	38%	40%
Insurance for Industrial Accidents	57%	53%	43%	47%
Sanitary Facilities at working place	69%	70%	31%	30%
Drinking Water	100%	100%	0%	0%
Adequate Ventilation Facilities at work place	77%	62%	23%	38%
Lighting arrangements at working place	86%	71%	14%	29%
Training Facilities	82%	77%	18%	23%
Leaves	80%	83%	20%	17%

Sources: Primary data collected during the field study

The above table illustrates that majority of the labors in Special Economic Zones (both Madras and Mahindra World City) have disclosed that the units are given that number of basic amenities which comprise insurance for industrial accidents, sanitary amenities at working place, drinking water, training amenities, different types of leave, medical reimbursement capability, sufficient ventilation and lighting amenities at the work place. For the period of the field work we understood that a few of the units located in Special Economic Zones (both Madras and Mahindra World City) are present food and accommodation services to their workers.

There is no difference on basic facilities providing to employees in the units located in both Special Economic Zones namely Madras and Mahindra World City.

Workers Training in Special Economic Zones

Sufficient training is needed for the flourishing performance of any industry entity. Training amenities accepted in the entity is varying from one concern to another and training amenities are primarily based on scenery and size of the service. Table 3 illustrates a range of modes of training services accepted by the business units situated in Special Economic Zones.

Table. 3
Training facilities offered to the workers of Special Economic Zones

	YES		NO	
	MSEZ	MWCSEZ	MSEZ	MWCSEZ
Send employees to foreign countries	2%	4%	98%	96%
Send employees to other zones	6%	14%	94%	86%
Within the Zone	98%	96%	2%	4%
Foreign technician visiting the company	18%	24%	82%	76%

Sources: Primary data collected during the field study

The units located in Special Economic Zones (both Madras and Mahindra World City) the labors are mostly experiencing training within the Zone and hardly ever the trainings are presented in outside

India or in the other Zones located in our country. In few circumstances the foreign technician visiting the units located in Special Economic Zones (both Madras and Mahindra World City) are used for generous training to the employees functioning in Special Economic Zones (both Madras and Mahindra World City).

There is no difference on Training facilities providing to employees in the units located in both Special Economic Zones namely Madras and Mahindra World City.

Additional Remuneration

Reasonable salary is one of the aspects which establish the presentation of the workers in any entity. Employers have been offering salary to their workers at the period of service and also at the retirement time. The package of salary can be at variance from one company to another. Table 4. illustrate the particulars of supplementary salary afforded to the Special Economic Zone workforce.

Table 4.
Details of Additional Remuneration offered in the Special Economic Zones

	YES		NO	
	MSEZ	MWCSEZ	MSEZ	MWCSEZ
Bonus	72%	80%	28%	20%
Provident Funds	90%	84%	10%	16%
Double Rate for Over time	24%	14%	76%	86%

Sources: Primary data collected during the field study

We understood that most of the labor respondents are obtaining Bonus and Provident Fund assistances from their employers and only a less number of labor have stated that they were receiving Double the Wage Rate for Overtime Work.

There is no difference on Additional Remuneration offered to employees in the units located in both Special Economic Zones namely Madras and Mahindra World City.

Working Conditions in Special Economic Zones

Employees remunerations, working hours, training, skills development, leave and holiday privilege are the range of aspects believed for upholding center relation connecting employer and employees. The level of fulfillment of the employees is stand on the worth of services afforded by the employers. The units in the Special Economic Zones are offering the range of services to their workers. The researcher evaluated the level of happiness of the workforce about the functioning conditions obtainable in Special Economic Zones. The replies obtained in this observe are presented in table 5.

Table 5.
Workers satisfaction level with working conditions in Special Economic Zones

Working conditions	Most Satisfied		Satisfied		Not Satisfied	
	MSEZ	MWCSEZ	MSEZ	MWCSEZ	MSEZ	MWCSEZ
Minimum Wages	24%	22%	47%	48%	29%	30%
Additional remuneration	7%	8%	50%	47%	41%	45%
Holiday entitlement	12%	18%	7%	14%	81%	70%
Leave	18%	7%	52%	48%	32%	45%
Total Working Hours	23%	29%	47%	23%	30%	48%
Training	44%	52%	34%	23%	22%	25%
Skill Development	12%	18%	16%	32%	72%	50%
Safety measures	34%	32%	62%	64%	4%	4%
Equal treatment	42%	52%	46%	42%	12%	6%

Sources: Primary data collected during the field study

The workers are mainly dissatisfied maximum were on holiday entitlement, skill development and additional remuneration. Most of the employees in units located in Special Economic Zones (both Madras and Mahindra World City) have been satisfied with the minimum wages, additional

remuneration, availing leave, total working hours, working time, training, safety measures and equal treatment. In rare case workers are mostly satisfied.

Here we hardly find any difference on Workers satisfaction level with working conditions in the units located in both Special Economic Zones namely Madras and Mahindra World City.

Health conditions of Special Economic Zones workers

In the aggressive job situation strain is normal, extreme strain can obstruct with employees’ efficiency and impact in their physical and emotional circumstances. Therefore with a scrutiny of judgment out the health circumstances of the employees in Special Economic Zones, the researcher created the answers and presented in table 6.

Table. 6.
Health conditions of workers in Special Economic Zone

	YES		NO	
	MSEZ	MWCSEZ	MSEZ	MWCSEZ
Stress due to deadline	28%	30%	72%	70%
Developed any health problem	22%	32%	78%	68%

Sources: Primary data collected during the field study

Most of the labors worked in the Units located in Special Economic Zones (both Madras and Mahindra World City) are away from stress and workers disclose that there is no health trouble due to being working in units located in Special Economic Zones (both Madras and Mahindra World City). Few of the labors specified that they are feel stress due deadline and similarly they had some health dilemma due to existing working situation in Special Economic Zones (both Madras and Mahindra World City).

Conclusion

The Units located in both Madras and Mahindra World City Special Economic Zones apply almost all labor laws. Most of the employees convey that the average functioning hours per day is 8 to 10 hours. Labors in Special Economic Zones are availed variety of amenities which comprise insurance for industrial accidents, sanitary amenities at working place, drinking water, training amenities, different types of leave, medical reimbursement capability, sufficient ventilation and lighting amenities at the work place. Labors are mostly experiencing training within the Zone and hardly ever the trainings are presented in outside India. Few workers have stated that they were receiving Double the Wage Rate for Overtime Work. Most of the employees in units located in Special Economic Zones have been satisfied with the minimum wages, additional remuneration, availing leave, total working hours, working time, training, safety measures and equal treatment. Workers were dissatisfied on holiday entitlement, skill development and additional remuneration. Few of the labors specified that they are feel stress due deadline and similarly they had some health dilemma due to existing working situation in Special Economic Zones. So researcher conclude that this would be effort to create industrial harmony in the Special Economic Zones and authority should take needed steps for further improvement.

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