

LEGALFOXES LAW TIMES

CONTEMPORARY CHALLENGES OF 21ST CENTURY IN LABOUR LAW: SPECIAL ECONOMIC ZONES AND DILUTION OF WORKER'S RIGHTS

By: Gunjan Maji and Shreya Saxena

ABSTRACT

The world of Labour Law has been an ever growing of laws which promotes, protects and provide for welfare opportunities for the labour community. Due to the entangled association with the labour market, this ever increasing world of laws have undergone innumerable alterations, which in furtherance, is influenced by the generic thoughts of the market. There was a market change from demand side to supply side economic theory in the dominant economic market, during the mid- eighteenth century. A high strung and neurotic example of this change is due to the export processing zones or special economic zones which were developed keeping in mind the excessive need for fostering and nurturing export oriented economic growth. In line with this pattern, as the Special Economic Zones (SEZ) became operationalised in India, there were adjustments made to the worker's rights. This exhibit of changes were done to promote economic growth and were euphemistically referred to as 'development'. Notwithstanding the legislature's outright regarding such preposterous exclusion, Bill introduced by the then Minister of Commerce and Industry with the the intention to exclude the implementation of labour law as much as possible in Special Economic Zones. In a Special Economic Zone, labour laws are supposed to be operational but they are almost lacking in effect. A detrimental impact has been seen over the workers because of the systemic non-implementation of social security policies which has further led the Special Economic Zone worker's to earn their living under uncertainty, fear and threat. Whereas the further studies suggests the opposite that across these regions, there are a few companies who support labour standards and understand the human rights of employees as well as the value of wellbeing and good industrial relations. While this positive trend helps some skilled employees, thousands of others try to earn a living in an environment of precarious jobs and confusion. The following article discusses the story of institutional forms and frameworks implemented within special economic zones for such structural adjustment to labour law.

Keywords

Special Economic Zone (SEZ), Labour Law, Worker's Rights, Economic Growth, Market, Workers.

INTRODUCTION

Labour Law and Legislation

Labour Laws are sets of numerous rules and regulation which deals with the working conditions of the labourers and industrial relations. It also includes laws regarding payment of wages and bonus and the minimum requirement of payments for particular jobs, assurance of grinding social security covering the criteria of payment of gratuity, provident fund, family pension, sickness, maternity and even occupational diseases. Laws are guiding the basic necessities of training, employment exchanges, apprenticeships and the compulsory requirement to notify labourers of vacancy. All the above laws are created to prevent exploitation of workers, maintain cordial relationship between workers and employers and provide workers with more employment opportunities which will help them achieve better living conditions.

Labour Welfare

The most common term used in Indian Legislation about Labour is 'Labour welfare'. These measures exist to reduce difficulties of life, and protection from illness and poverty for the people working in the labour community. These legislations act as a protective shield for the community, towards the general problems is triggered by halting or dramatically decreasing earnings due to unemployment, increase in illness, old age, disability, pregnancy and death. The Indian Constitution adheres to the belief of providing support and empowerment to the people, and this The objective has been to extend to the labour community to ensure better working standards to enable them to face hardships.¹ Several measures have been taken for the wellbeing of the workers after Freedom. Majority of these measures are taken after independence. They deal with the earliest stage of industrial policy. Thus, there is an impending need to adjust these inadequate measures to ensure workplace protections. There is also glaring inconsistency between laws dealing with the same matter. The beginning of the new era has pointed out significant persisting issues. Most of these issues exist due to uneven growth of industrialisation in the county. There is a need for amendments

in labour legislation which highlight the ideals of development of labour-intensive sectors.² The the massive requirement to reduce the strictness of job security policies would mitigate a significant barrier to the growth of smaller businesses and maximise employment, production and lead to the growth of real incomes. The developing countries have been witnessing the change away from an import substitution based developmental model to export promotion and production-based policy for the development and growth of their economy. These economic zones have been acting as an instrumental policy strategy to support exports which strongly encouraged most of developing countries to establish Special Economic Zones.³

Special Economic Zone

In April 2000, the right-wing National Democratic Alliance (NDA) government announced SEZ

¹Constitution of India, Article 43 < <https://www.mea.gov.in/Images/pdf1/Part4.pdf> > accessed on 5 March, 2020

²The Economic Survey (2007-08)

³< https://shodhganga.inflibnet.ac.in/bitstream/10603/98704/9/09_chapter%202.pdf > accessed on 8 March 2020

Policy for the first time in India, with an aim to establish Special Economic Zones all over the country and to refurbish the existing Export Processing Zones. Export Processing Zones (EPZs) can be explained as a unit bearing clusters of specially designed zones of a particular economic activity for the promotion of export to promote the growth of the sickening export business of India.⁴ It was considered that the EPZs were a failure because of their inability to boost India's exports.⁵ Stakeholders realised that the EPZ policy provided various incentives that were restrictive. This led to a decrease in the export figures. To overcome the mentioned shortcomings experienced on account of the multiplicity of controls and clearances under Export Processing Zones and to attract more substantial foreign investments into India, the special economic zones (SEZs) policy was introduced. The policy aims at making SEZs an engine of economic growth supported by providing quality infrastructure, support services and an attractive fiscal package at both the Centre and the state levels, where the economic laws are more liberal as compared to other parts of the country. It is a geographically distributed area which covers a broad range of zone types, including export processing zones (EPZ), free zones (FZ), industrial estates (IE), free trade zones (FTZ), free ports, urban enterprise zones, and others.⁶ SEZs also encourage supportive infrastructures such as housing, roads, ports, and telecommunication. The Act also specifies the area for export-oriented activities (processing) and the export-oriented activities(non-processing). Thus, the policy was introduced in India in 2000, and it legislated in 2005 under the Special Economic Zones Act.

SPECIAL ECONOMIC ZONE ACT, 2005 AND OTHER LEGAL IMPLICATIONS

On June 23, 2005, the Act received Presidential assent and went into effect on February 10, 2006.⁷ This Act applies to the whole of India. The explicitly demarcated areas as directed by the Act are called Special Economic Zones (SEZs). To ensure the benefits of industrial and export activities, they are regarded as international territories. Various provisions are adopted for loosening of customs as well as other taxes, namely anti-dumping duty, is guaranteed. Domestic constraints have been considerably reduced, and the dearth of infrastructures is removed under the zones. The Central Government has enacted the Act with the primary objective of producing high substantial economic activities, which encourages the export of goods and services, diversifying the domestic and international sources and creating employment opportunities. The 'shortcomings' of the Indian economy is its inability of fostering exports, which were because of the multitude of restrictions, clearances and lack of any real-class infrastructure.⁸ To compensate for these obstacles and with

⁴ Meaning of Export Processing Zones <<https://business.mapsofindia.com/epz/>> accessed on 20 March, 2020

⁵ Murayama and Yokoya 2008 <https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_221002.pdf> accessed on 21 March, 2020

⁶ ibid

⁷ Wadadekar Anand, "Special Economic Zone Act, 2005: An Overview", <<https://taxguru.in/corporate-law/special-economic-zones-act-2005-an-overview.html>> accessed on 20th March, 2020

⁸ Singh Jaivir, "Labour Law and Special Economic Zones in India", <<https://www.jnu.ac.in/sites/default/files/u63/08-Labour%20Economic%28Jaivir%20Singh%29.pdf>> accessed on 15th March, 2020

such a view to drawing more significant international investment in India created the Special Economic Zones. The Act is known to provide to specific priorities: (a) stimulating increased economic growth; (b) encouraging the exports goods and services; (c) fostering expenditure from domestic and international sources; (d) providing opportunities for employment; and (e) improving capital and structural services.⁹ The most dominant administrative structure by the Act is called Board of Approval and the Approval Committee. The Board of Approval has the power to approve or reject the formation of a new Special Economic Zone.¹⁰ Those who endeavour to establish a Special Economic Zone, are required to send a proposition to the State Government directly involved for not only the establishment of a Special Economic Zone but also defining the region. On acceptance of the application, the State Government may, with all of its suggestions, forward the same to the Board within the time that may be recommended. The Board must also advise the central government of its position on approval/modification/rejection. If the proposal is accepted, the Central Government shall issue a 'Letter of Approval' .¹¹

There is no clear indication in the Special Economic Zone Act about proper application labour legislation. It only states in the Special Economic Zones Act that all states revise the Act. Therefore, unlike tax laws, statutes, and any other legislation, it seems that the labour laws can not be changed

by using the Special Economic Zones Act provisions.¹² First, although labour laws can not be modified in practice, state governments are often open to making adjustments by notices and other administrative means. Looking at the history of labour legislation concerning the Act, the governments of each territory has changed the labour law in practice.¹³ Second, the Act placed the development commissioner at the head to ensure that all labour standards are upheld.¹⁴ Third, the Special Economic Zone Act also has effectively promoted the system of deregulating human rights employing privatisation control.¹⁵ For checks and balances, the Act has installed mandatory units outside the purview of the Act, example, as per the Factories Act, 1948 regarding workers ' health and safety, the Workmen's Compensation Act, and the ESI Act, the units in SEZs are required to receive reports from approved entities authorised by the state government.¹⁶ The powers of labour courts have been limited through the Special Economic Zones Act.¹⁷ The State

⁹ *ibid*

¹⁰ Special Economic Zones Act, 2005, Section 3, < <https://commerce.gov.in/writereaddata/aboutus/actspdfs/SEZ%20Act,%202005.pdf> > accessed 10th March, 2020

¹¹ *ibid*

¹² *ibid*, Section 49

¹³ Mansingh Pallavi, Eluri Suneetha and Sreejesh N P, "Trade Unions and Special Economic Zones in India", < https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_221002.pdf > accessed on 11th March, 2020

¹⁴ *Supra* Note 10, Section 12

¹⁵ Iyer S.H., Analysis of the Structure and the Practice of the Legal Machinery (with reference to Labour) of SEZs, Labour File, July-October 2008

¹⁶ *ibid*

¹⁷ *Supra* Note 13

Government in which the Special Economic Zone is located in, may, with the permission of the Chief Justice of the High Court of that State, nominate one or more courts, to try all civil cases occurring in the Special Economic Zone, and consequently has the power to try notified crimes committed in the Special Economic Zone. Any court shall hear any claim or perform the trial of any alleged crime related to in the paragraph other than the court-appointed under the Act.¹⁸18 Fourth, as enforced by the Special Economic Zones Act, a significant change of labour regulations of Special Economic Zone are that all areas are classified as facilities of public utility.¹⁹19 Workers employed in a public sector company are unable to strike under.²⁰20 According to the Industrial Dispute Act, 1947, places which are not tagged under public utility, are only not allowed strike within the six weeks before striking without issuing a strike notice and they can not go on strike within fourteen days of the strike during conciliation.²¹21 Fifth, Trade Union's office-bearers mostly comprise of people who do not operate in the industry, with an approximation of 50 per cent.²²22 Throughout the years, and this clause enabled the national trade union leadership to create trade unions through multiple sectors yet, in the case of Special Economic Zones, states have sought a waiver from this policy.²³23 The Trade Union's Act does not exclude outsiders from being trade union representatives. Although India has not yet ratified ILO conventions 87 and 98, it is widely accepted that India respects the freedom to assemble and bargain jointly.²⁴24 Fundamental rights enshrined in the Constitution ensure equality of expression and speech for all people. The Labor Union Act, 1926, and the Workplace Relations Act, 1948, allow employers' ability to join a union and collective bargaining, amid limitations on some employment, particularly those in the government sector but Special Economic Zones, however, limit the freedom to organise in practice.²⁵25 Sixth, there has relaxation provided to the States under the Special Economic Zones Act, as they have been exempted the Contract Labor (R&A) Act and therefore have little place in labour law for contract employees in those areas.²⁶26 Contract Labor Act offers appropriate guidelines to ensure the removal of contract labour in any system, service or other function of any state.²⁷27 Retrenchments, cuts, dismissals and closures in periods of crisis are a common trend and the contract labour act prevented it to an extent. With the waiver of the Contract Labour Act in Special Economic Zones, workers are readily fired if he/she is sick or physically injured, even if it is because workers are readily available.²⁸28 Ultimately, the Special Economic Zone Act is

¹⁸ Supra Note 10, Section 23

¹⁹ Supra Note 13

²⁰ Industrial Disputes Act, 1947, Section 22, < <https://mahakamgar.maharashtra.gov.in/images/pdf/industrial-disputes-act-1947.pdf> > accessed on 20th March, 2020

²¹ ibid

²² Supra Note 13

²³ Trade Union Act, 1926, Section 22, < http://labour.bih.nic.in/Acts/trade_unions_act_1926.pdf > accessed on 19th March 2020

²⁴ ibid

²⁵ Supra Note 8

²⁶ Contract labour (Regulation & Abolition) Act, 1970, Section 10. < <https://clc.gov.in/clc/acts-rules/contract-labour-regulation-abolition-act-1970C> > accessed on 9th March 2020

²⁷ ILC Session 41, Contract Labour in India, < www.labour.nic.in > accessed on 18th March, 2020

²⁸ Supra Note 13

unclear about the scope of the Minimum Wages Act in the Special Economic Zones.²⁹ It requires that the appropriate government fix minimum wage rates for the jobs specified in the schedule. This also allows the new government to evaluate and update the minimum wage levels at periods of no longer than five years. The correct legislation sets the minimum wage for all planned employments when there are 1,000 or more worker.³⁰

Employment Effects:

The Special Economic Zones have benefited the employment channels in three significant ways: (1) Special Economic Zones create immediate and primary jobs for professional and unskilled labour; (2) They often produce intermediate and secondary jobs, and; (3) They create employment for local,

female and communal employees.³¹ It is assumed that somehow the production of jobs increases revenue, provides pseudo-pecuniary gains, enhances labour's quality of life and which in turn enhances their efficiency. Those have an impact on poverty alleviation. To the degree that these zones provide labour-intensive enterprises, firms are, which counterfactually are, a significant source of potential jobs.³² Developing nations typically draw investment in simple manufacturing labour-intensive industries because of the availability of labour at low wages. The indirect impact is expressed as ancillary job opportunities created in sectors of the economy affected by Special Economic Zones operations. These include travel, correspondence, bicycle, civil aviation, freight, lodging, tourism, accommodation, packing, finance, and insurance.³³

Women in Special Economic Zones:

The number of women working in Special Economic Zones is considerably high due to the high availability of jobs. The overall gradual employment produced since February 2006 is at 214,499 people.³⁴ The actual job statistics in these areas indicate that a maximum of 349,203 people was operating in 2008 and out of which 37 per cent were women. The overall gradual employment produced since February 2006 is at 214,499 people.³⁵ Therefore, does not show us the full view, since statistics demonstrate that the number of professional female employees are either informal/temporary or contract employees, because of which they are not on the rolls, thus are poorly represented in official statistics. Significant reductions in the total population were reported in 2002, primarily impacting female workers. But, there are hints that there is rising female employment.³⁶

²⁹ ibid

³⁰ Minimum Wages Act, 1948, Section 5, < <https://maitri.mahaonline.gov.in/pdf/minimum-wages-act-1948.pdf> > accessed on 23rd March

³¹ Supra Note 13

³² Aggarwal Aradhana, "Impact of Special Economic Zones on Employment, Poverty and Human Development" (2007), < http://www.icrier.org/pdf/Working_Paper_194.pdf > accessed on 22nd March, 2020

³³ ibid

³⁴ < www.sezindia.nic.in > accessed on 25th March, 2020

³⁵ ibid

³⁶ Ministry of Labour, GOI 2008

Working conditions:

A massive body of research is available on the employment conditions of Special Economic Zones. There have been claims of violations of worker's rights, forced overtime, job deprivation, inadequate working conditions, usage of coercive techniques to reach deadlines, and ultimately loss of human resources are common in the zones. This is claimed that although average salaries in some SEZs are higher than salaries outside the zones, this also means longer hours of more demanding labour than in other SEZs. As per a report by the ILO, employees in zones worked in 10-to 12-hour shifts which increase up to 16 hours in heavy traffic hours.³⁷ Numerous job activities in the Special Economic Zones are accompanied by taxing working hours. Some industries use a quota system, where an employee must meet there required criteria of the day to earn the pay. There are several cases where the people are being forced to work beyond the regular weekly shift to accomplish the quota. In India, the labour laws apply in the zones; however, they are muddled or rationalised in favour of the employer. Besides, labour laws are barely enforced, and employers are given complete liberty from labour laws unofficially. While several surveys demonstrate that India's working hours are lawfully limited to 48 hours per week, 60-72 hours of work is standard procedure in these zones.³⁸ In the Special Economic Zones, the working conditions are defined by the escalating nature of the jobs, increasing the demand to meet loftier goals for output in minimal time. The established low pay system, barely providing the minimum wage, is offered to the employees after having been forced into labour for approximately 10-12 hours a day. Although employees work overtime, they do not get an overtime rate for additional hours.³⁹ This is due to the fear of losing work. Workers put in longer and more hours as the wage is small, and the risk of losing the work is great. Under the Industrial Dispute Act, all Special Economic Zones in India is considered 'public utility' services. Thus, making strikes a rare phenomenon strike. In the SEZs, foreign unions are not permitted, so it is very challenging for labour union members to approach the SEZ employees to speak freely. Research indicates that both employers and government officials hinder all workers efforts to get organised under the trade unions. Workers who try to join unions face unemployment. A fear environment is generated in such a way that no worker initiates or embraces some phase of unionisation. These Zones act as fortified enclaves, prevent and coordinate union leaders from interacting openly with employees. Also, the labour of the different groups inside the areas is prohibited from communicating with each other in one manner or another. Which makes coordinating employees very challenging for even the country's renowned national labour unions.⁴⁰ Employers are least bothered about the health and security of the workers. Reports show that the planning commissioner's office keeps a blind eye to it, creating a dangerous working climate in SEZs. For certain areas, it is found that employees are unable to take sufficient volumes of water due to intense workloads during hot

³⁷ Supra Note 13

³⁸ *ibid*

³⁹ Supra Note 32

⁴⁰ *ibid*

weather. Dehydration, heatstroke, gastrointestinal issues and heat rashes are regular. Improper ventilation is a severe concern in the textile industry, and the staff face respiratory problems such as asthma, long-lasting cough and breathlessness. Across several research, it is also known that multiple woman workers endured through their times from gynaecological conditions such as discomfort and inadequate blood flow. Employees are not supplied with adequate safety gear, so both small so significant injuries are frequent. Few to little knowledge of the substances is available as workers work around substances. Management never issues patient health data sheets (MSDS) on the substances, although it is legally necessary to include them in a language the staff recognise.⁴¹

CHALLENGES

In India, labour faces myriad obstacles in different occupations in regular areas as well as in special economic zones (SEZs), which over the past few decades have become a core aspect of the country's manufacturing and export development strategy. A variety of disturbing justifications for the smooth operation of SEZs have been brought forward, such as the lack of diversity of land use for various markets, numerous land-use models and the lack of state government funding for an efficient one-window scheme.⁴² India's special economic zones experience has been disappointing till date. In a 2014 report by the Comptroller and Auditor General on SEZs stated: "Given the substantial failures in achieving the socio-economic goals across all sectors of SEZs, there is an immediate requirement for the government to examine the factors that obstruct the development of non-operational and underperforming areas."⁴³ 43 Foreign trade policy of the Centre (2004-2009) stated: "SEZs are growth engines that can increase exports, improve production and create jobs. The private sector became heavily engaged in the growth of the SEZs. The SEZs need specific fiscal and regulatory frameworks to administer a trouble-free operational environment that requires state-of-the-art facilities and support services."⁴⁴ 44 Our parliament has amended the welfare of labour and labour laws from the time of its enactment. However, the SEZ Act hardly gives any space for the welfare of the labours who are involved in its development. As the SEZ Act does not explicitly talk about labour laws.

Section 49 of the Special Economic Zone Act, 2005 states that all states where it is applied have

⁴¹ Supra Note 13

⁴²Special economic zones — Major challenges: Multiple models, Un-utilised land and additional taxes<<https://indianexpress.com/article/business/business-others/major-challenges-in-special-economic-zones-multiple-models-unutilised-land-and-additional-taxes-5000292/>> accessed on 19 March, 2020

⁴³Recommendations of Report No. 21 of 2014 - Performance Audit of Special Economic Zones SEZs of Union Government, Department of Revenue - Indirect Taxes, Customs<<https://cag.gov.in/content/recommendations-report-no-21-2014-performance-audit-special-economic-zones-sezs-union>>accessed on: 19 March, 2020

⁴⁴Debjit Sinha, Budget 2018: The Narendra Modi government has to take tough decisions pertaining to SEZs in the upcoming Budget 2018 as SEZs are facing quite a few challenges in recent times<<https://www.financialexpress.com/budget/budget-2018-modi-government-should-provide-concessions-to-sezs-to-boost-industrial-policy/1009008/>> accessed on 14 March 2020

power to make their own amendments as long as this provision does not interfere or is in conflict with the Central Acts, amendments or any other such regulations including various schemes and policies relating to trade unions, industrial and labour disputes, the labour welfare policies including provident funds, conditions of work, workmen's compensation, employers' liability, maternity benefits and invalidity and old-age pension applicable in any Special Economic Zones.

Section 22 of the Trade Union Act, 1926 has restricted the entry of people who do not fall under the Special Economic Zones to take the status of office-bearers in trade unions of these zones and furthermore, restricts trade unions are not allowed to enter into factories premises located inside the SEZ premises as well. This is an old strategy is followed by the management to future and facilitate puppet unions, who are under their complete control. Unions that are formed as favoured by the management who according the managements whims and profits. To compete with such puppet unions of the management, it is a challenge for the other trade unions as they have to prove their genuineness as effective articulators for the cause of workers.

Contract/casual workers and apprentices who are employed in the special economic zone sectors to do regular work have not been provided any job security and thus, they can be removed from their current employment as and when pleased by the employers or the management. This also leads to another problem of them unable of making any connection or professional relationships with their worksite or their fellow workers as the states have claimed an exemption for SEZs from the Contract Labour Regulation and Abolition Act (1970) and Apprentices Act (1961). Thus, showing us the lengths employers would go to instil fear, insecurity, and dependency so that they do not dare to venture into any trade unionism.

Absence of labour administration: The Special Economic Zones have a three-tier administrative setup including: The Board of Approval (apex body), The Unit Approval Committee (deals with approval of Special Economic Zone Units and other related issues at the Zonal level), and Development Commissioner is heading each zone and the Unit Approval Committee. The development commissioners hardly pay attention to the workers' demands. In case a case at Visakhapatnam, the CITU had requested for implementation of International Labour Organisation (ILO)'s standards but as was the case with International Labour Organisation conventions 87 (Freedom of Association and the Protection of the Right to Organise) and 98 (The Right to Organise and Collective Bargaining Convention)⁴⁵. This request was not given any attention and later was denied. Workers in the special economic zones struggle for better-earning wages, better working conditions and better exercise of their right to form unions for support and unity. Reports on SEZs reveal that the Minimum Wages Act is implemented on paper, but workers never get it

⁴⁵Conventions and Recommendations<<https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>>accessed on: 21 March, 2020

only the permanent workers get the minimum wages, rest are denied.⁴⁶

CONCLUSION

A study regarding the laws in the SEZ Act seems to suggest that there is a substantial legal confrontation for labour legislation within and outside the SEZs due to creation of conflicting provisions in labour law for such zones.⁴⁷ The Special Economic Zones were created to improve the economic activity in the country, make the country's export competitive and globally noticeable and provide immense employment opportunity. However, this should not be done by exploiting the labours who need various kinds of welfare to improve their living condition. The implications of the Special Economic Zones Act, 2005 exempt employees from the social security initiatives. It is clear that not only did the Act lead to the non-implementation of labor regulations, but it also facilitated them. Different clauses of the SEZ Act also meant that employees' concerns go silenced and get dismissed. This research further shows that there is a shortage of even essential aspects of social protection interventions which are meant by legislation for employees. Several these areas continue to benefit from legal and network leakages. Field research has showed that there is lack of trust with current or non-existent protection programs in areas supported by the high degree of ignorance and lack of understanding of their interests contributing to the worst type of conditions at employment.⁴⁸

The policy has only reinforced the hand of corporate elites, the already enriched population that leads to more labour exploitation. Therefore, it leads to the exponential growth in income disparity, i.e. poor being poorer and wealthy being wealthier. The study report therefore represents, and is vulnerable to manipulation, the numerous social security steps taken away from the labours. It can be inferred that the Special Economic Zones are a shadowy part of India's judicial and administrative structure.

LEGAL FOXES

"OUR MISSION YOUR SUCCESS"

RECOMMENDATION

As the studies show that there have been many violations regarding the implementation of labour law in the Special Economic Zones. First, the assurance of the implementation of the laws is supposed to be done by the Development Commissioner. He/she is the highest authority in the zone. Due to the corruption, weak administrative system and poor management of these zones, it

⁴⁶PRIA 2000, Mazumdar 2001, Neetha 2004 and Vyas and Sunanda (2007), Disability, Economic Globalization and Privatisation: A Case Study of India, Vol 30, No 3/4 (2010) <<https://dsq-sds.org/article/view/1272/1302>> accessed on: 25 March, 2020

⁴⁷Parwez Sazzad, Modified Labor Welfare Measures for Special Economic Zone Implications,MPRA Paper No. 63835, posted 28 Apr 2015 13:49<https://mpr.ub.uni-muenchen.de/63835/1/MPRA_paper_63835.pdf>accessed on: 25 March,2020

⁴⁸ ibid

is a herculean task to the labour welfare law. Second, other exemptions from the Industrial Dispute Act and Trade Union Act has caused many disadvantages for the labourers. Declaring the zones as Public Utility Service Areas has made them unable to call in for strikes. The primary purpose of a strike is that it acts as a weapon for the labours to make sure that they are adequately treated, and all their rightful demands are heard and follow. Thus, strikes are a necessity even in Special Economic Zones. Third, relaxation from the Trade Union Act has caused another major issue. This has hindered the right to assemble and form union enshrined under Fundamental Right to Freedom in Indian Constitution. Trade Unions acted as guardians of labour rights. However, due to the lack of presences in the Special Economic Zones had led the employers to run rampant and exploit the workers. They are given their rightful minimum wages, overtime wages, unhealthy long hours are imposed, and healthier workers are neglected. Lastly, these zones have been exempted from the Contract Labour (Regulation and Abolition) Act. Thus, most workers are here casual and temporary workers. Their names are not present in muster roll, which has increased the chances of losing their jobs and unavailability to reap the benefits under various Labour Welfare Legislations. Such, one-sided exemptions favouring the employers should not be available at the expense of the labour community.



LEGAL FOXES

"OUR MISSION YOUR SUCCESS"