

HR Law Hotline

June 08, 2017

EVOLVING HR LAW: GIVING GCS SLEEPLESS NIGHTS?

This article was originally published in the June 2017 edition of



India stands on the cusp of a new HR law era. The government has proposed replacing several major national labor legislations with four codes - codes on wages, industrial relations, social security & welfare, and safety & working conditions.

With globalization, the labor market in India has undergone tremendous changes; however, labor laws have failed to keep pace. Presently, labor laws in India are a hotchpotch of almost 140 legislations (besides all rules, regulations, orders, and circulars issued under each of these legislations) at the national & state levels. Several of these laws were enacted during or prior to India's independence, and were meant for the industrial sector. While this may feel like a paradise for us HR lawyers, it is not conducive to commerce or growth. In fact, it is unfortunate that while labor laws in India were designed to promote progress, they have ended up becoming a stumbling block. The rise of the informal (unorganized) sector, is the fallout.

The government's vision and effort to rationalize and consolidate the plethora of labor laws, is commendable. It may direct us towards a utopian economy. The proposed codes will make it easier for employers to comply with the law and for authorities to regulate it. They will also eliminate the confusion caused by differences in definitions and applicability provisions. Lesser number of laws to comply with along with better implementation, should help position India as a business-friendly destination and increase its rankings in the World Bank's Ease of Doing Business survey.

Care must be taken to ensure that the codes strike a balance between making labor laws business-friendly while not compromising workers' welfare and safety. The codes should focus on fostering employment, increasing productivity and reducing unemployment, rather than simply being a consolidation of current laws - else the medicine may be worse than the disease! Ensuring this balance in our political economy will continue to remain a challenge for the government.

While employers and employees in India, and the international community closely track these changes to the legal landscape, we discuss select HR law issues that, in our experience, GCs must focus on:

For remainder of the article, please click [here](#) or visit www.legaleraonline.com

– Nishanth Ravindran & Vikram Shroff

You can direct your queries or comments to the authors

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

FAQs on Setting Up of Offices in India

December 13, 2024

FAQs on Downstream Investment

December 13, 2024

Gaming Law 2024

December 12, 2024

Research Articles

The Revolution Realized: Bitcoin's Triumph

December 05, 2024

The Bitcoin Effect

November 14, 2024

Acquirers Beware: Indian Merger Control Regime Revamped!

September 15, 2024

Audio

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part I

August 26, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

Click here to view Hotline archives.

Video

"Investment return is not enough" Nishith Desai with Nikunj Dalmia (ET Now) at FI8 event in Riyadh

October 31, 2024

Analysing SEBI's Consultation Paper on Simplification of registration for FPIs

Scope of judicial interference and inquiry in an application for appointment of arbitrator under the (Indian) Arbitration and Conciliation Act, 1996

September 22, 2024