## STATE REGULATED CAPITALISM ADVANCED BY THE LABOUR CODE BILL AND THE PANDEMIC

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### ABSTRACT

'Socialist' in the Indian Preamble signifies the commitment of the Indian State to bring about social and economic equality in the society. The archaic labor regulations have proved that it is rather used as a façade to conceal the capitalist motives of the State. Prof. Baxi's piece, 'Law and State regulated Capitalism', written in the pre-liberalization period, quite elegantly deconstructs how the State has used the legal apparatus to not only establish and maintain the capitalist structure but also perpetuate it in the Indian society. He also argues that the legal system is designed for the efficient advancement of capitalist objectives. In 2019, the Indian Parliament took a step towards consolidating multiple labour legislations into four codes which was viewed as a step towards reformation of labour laws prevailing in the country. This paper seeks to critically analyze the Labour Code Bill 2019 and the events during the pandemic to assess whether the arguments in the piece written in 1990 are relevant even after 29 years of liberalization.

*Keywords*: Labour Code Bill, Capitalism, Neo-liberalism, Pandemic, Indian proletariats Labour laws.

### INTRODUCTION

'Law and State Regulated Capitalism in India: Some Preliminary Reflections'<sup>i</sup> is a critical essay written by Professor Upendra Baxi in the year 1990, a year before liberalization of the Indian economy. The author deconstructs how the legal apparatus of the Indian State is designed specifically to cater to the capitalist objectives of the State.<sup>ii</sup> Though the Indian Constitution claims to be a socialist democracy, the façade has slipped and the capitalist objective of the state is now evident more than ever. The ideological hegemony not only helps in maintaining but also perpetuating capitalist goals. Alan Hunt in his piece argues that domination is an active process which reproduces conditions for exploitative social relations<sup>iii</sup>. Professor Baxi argues that capitalism in India is state regulated. State plays an active role in regulating the market. He affirms the same by analyzing prevailing labour legislations, judicial cases and executive policies<sup>iv</sup>.

In past three decades the Indian state has transformed into a neo-liberal economy. While the State's role is minimized, the stock market plays an active role in regulating the economy. The corporates continue to be the political elite despite the ideological shift. One of the major distinctions between a state regulated capitalist country and neo-liberal one is the degree of participation of the state and the autonomy enjoyed by the corporates which increases from the former to the latter. The state plays an integral role in the economy but unlike a state regulated capitalist state, in a neo-liberal economy, the market is at par with the state and it also plays an active role in maintaining and perpetuating the capitalist structure. This paper shall be primarily focusing on how the state maintains and perpetuates the neo-liberal regime. For instance, the recent amendment ordinance of the Essential Commodities Act<sup>v</sup>, allowed for deregulation of the agricultural sector. This was done to enable foreign direct investment in the agricultural sector. The state shall only interfere in times of natural calamities.

New Economic Policy introduced in 1991 opened floodgates for foreign direct investments, market deregulations, disintegration of the license raj and also integrated India with the global economy by easing trade laws. The Indian market was now open to investment from foreign entities and thus began the age of liberalization and globalization. The policy helped in unmasking the real ideological endorsement of the State. Neo-liberalism reinforces class structure by demanding minimum state intervention in the market and to create conducive

environment for the industries to thrive which includes suppressing substantive labour rights and easing the mechanism to hire and fire workers. India has been a liberal economy for over 25 years with negligent attention given to the labour laws in the country. The state took 29 years to actively take steps to improve the conditions of the labour class. There have been policies introduced and amended under the Foreign Trade and Regulation Act, 1992<sup>vi</sup> accordingly to ease trade<sup>vii</sup> with foreign entities but the labor class was subjected to archaic legislations which did not envisage the complications and difficulties suffered by them with this economic transition. The NEP has also aggravated the economic disparity prevailing in the country<sup>viii</sup>. Although, the Labour Code Bill was introduced in the Lok Sabha as a step towards 'labour reforms' but the ultimate result is the advancement of this ideological hegemony which has been solidified with the advent of New Economic Policy.

This paper aims to deconstruct the Labour Code Bill 2019 and evaluate the impact of the same on the dynamics amongst the industrialists, State and the working class. The Labour Code Bill aims to consolidate 44 labour legislations within it. The Bill is divided into four codes- The Code on Wage, 2019<sup>ix</sup>, Code on Industrial Relations, 2019<sup>x</sup>, Code on Social Security<sup>xi</sup> and Code on Occupational Safety, Health Conditions and Working Conditions<sup>xii</sup>. This paper shall focus on the Wage Code and Industrial Relations Code and assess their impact on the capitalist structure of the Indian economy.

The Code on Wages, 2019 is the first legislation under the Labour Code Bill, 2019 to have received Presidential assent and has been notified in the Official gazette as well. It consolidates four major labour legislation from not only pre-liberalization but pre-independence period as well. The legislations that have been consolidated under the Wage Code are as follows-Payment of Wages Act,1936<sup>xiii</sup>, Minimum Wages Act,1948<sup>xiv</sup>, Equal Remuneration Act,1976<sup>xv</sup>, Payment of bonus Act, 1965<sup>xvi</sup>. The Code on Industrial Relations was placed in the Lok Sabha in the month of November and was referred to a standing committee in December. The Bill integrates three major labour legislations – the Industrial Disputes Act, 1947<sup>xvii</sup>, Trade Unions Act, 1926<sup>xviii</sup> and Industrial Employment Act, 1946<sup>xix</sup>. The three legislations belong to the first half of the 20<sup>th</sup> century shedding light upon the attention given by the State to the labour welfare post-independence.

I shall also argue how the impact of neo-liberal regime has impacted the state during the pandemic. The same shall be elucidated upon by analysing the executive policies and judicial decisions.

Professor Baxi, in his article mentions how rule of law and reign of terror have been combined to maintain and advance the capitalist structure<sup>xx</sup>. The Labour Code Bill masquerading as the rule of law has reinforced and solidified the neo-liberal regime. Reign of terror refers to the socio-economic and political environment created for not only ideological but also physical coercion of the working class. The systematic oppression is not only within the industrial establishment but the working class is perennially subjugated by the overall structure. The ideological endorsements of the state have reinforced the class structure, consequently, normalising physical violence against the working class. The paper shall delve into the methodologies adopted by the Indian state to strengthen the neo-liberal regime.

### LAW'S ABSENCE-IN-THE-ACT-OF-PRESENCE

Professor Baxi in his piece, draws the attention of the reader to the concept of 'Law's-absencein-the-act-of-presence'<sup>xxi</sup>. This basically signifies how the State selectively enacts and enforces law in accordance with the capitalist aims of the State. He elucidates upon the same by providing the following instance- the provision for abolishment of bonded labour existed since the inception of the Constitution but there were no legislations in place to enforce the same. Therefore, despite the principle being present in the legal sphere the mechanism to enforce the abolishment did not exist.

Similarly, the Code of Wages refuses to recognise the informal working force of India and their capacity to claim under it. The Code on Wages, 2019 defines a contract labourer under section 2(g). The Act differentiates a contract labourer from a worker. A worker is a permanent employee of the industrial unit whereas contract labourers are employed for a fixed term only making it easy for industrialists to hire and fire these labourers. One of the major demands of the neo-liberal regime is the ease of hiring and firing labourers. For the economy to flourish it was imperative to make cheap labour readily available even at the expense of their basic rights. 62% of the Indian workforce is in the informal sector<sup>xxii</sup>. 'Industrial Dispute' is defined under

section 2(q) of the Code and it states who can be a party to an Industrial dispute. The definition does not recognise the capacity of contract labourers to enter into an Industrial Dispute. The Act is present in the legal sphere but does not acknowledge the rights of contract labourers within its scope which constitutes more than half of the working force which has only increased since liberalisation<sup>xxiii</sup>. The Code does not specify whether contract labourers will be entitled to wages equal to that of a worker. Therefore, the lacuna still exists with absolutely no provision to address and fix the prevailing disparity.

The disparity between the wages received by the two sections of workers has been enormous in the past. Since, they are not recognised to have the capacity to enter into an industrial dispute, it becomes impossible for them in their individual capacity to negotiate for increased wages. This is a systemic and efficient way of excluding more than half of the working force of the State while maintaining the façade of introducing labour reforms. The Indian Legislature has conveniently ignored the section that is most affected by the prevailing class structure which is only being further solidified. Though a Code promoting labour reforms exists but in reality, it is absent as it fails to envisage more than half of the Indian work force.

Moreover, the recent pandemic has brought to light the true nature of the State policies. Recently, the UP Government passed the *Uttar Pradesh Temporary Exemption from Certain Labour Laws Ordinance, 2020*, suspending most of the labour laws for 3 years in order to facilitate investment in the state after being hit by the pandemic. First, 'in order to facilitate investment' as a reason for suspension of the labour laws is a blatant example to reinforcement of ideological domination where the working class has been conveniently ignored for the capital structure to sustain and flourish. The ideological domination is manifested by prioritising the need to secure the interests of the capitalist class over the needs of the proles who have been worst hit by the pandemic.

The state government is selectively enforcing laws while suspending the ones that facilitate in upholding their substantial rights, for instance, right to strike which opens endless possibilities for exploitation of the labourers by the capital class as the collective bargaining power is rendered meaningless. This shall also amount to physical domination. Since a legal vacuum is created due to this suspension, the labour class will be subjected to private legislations implemented by the capital class<sup>xxiv</sup>. The code of conduct, working hours, leave policies, all the administrative decisions, along with the control of the labour class, shall solely belong in

the hands of the employer without any interference from the State which creates a suitable environment for labour exploitation at the expense of protecting the capitalist structure. This refutes the socialist claims of the Constitution while reaffirming the neo-liberal regime.

### SYSTEMATIC OMISSION OF ESSENTIAL RIGHTS AND INTENTIONAL IMPLEMENTATIONAL LACUNAS

The Labour Code Bill strikes right at the heart of labour rights. The apprehension of potential friction has resulted in the collective bargaining power of the working class to be severely compromised. In order to reinforce the ideological hegemony, it becomes imperative to weaken the subject of oppression.

This domination is materialised by depriving the subject of his essential rights. Under section 14(1) of the IR Code, for a Trade Union to be a sole negotiator, 75% of workers registered in the muster roll of an industrial unit should be its members. point is if a trade union can only negotiate if 75% of the employees in muster roll of an industrial unit are members of that particular trade union then the collective bargaining power will be seriously compromised. This is mainly because it is practically impossible to have 75% of the workers of an industrial unit being associated with a particular trade union. The criteria is unreasonably high and has been criticised by various trade unions as well. The Under the IR code, if the 75% criteria is not fulfilled then the negotiating council will be constituted by the Government or by an officer authorised to do so. The council shall consist of the representatives of such Trade Unions which have the support of not less than ten per cent of the total workers on the muster roll of that industrial establishment so verified and such representation shall be of one representative for each ten percent of such total workers of such total workers and in such calculation, the fraction of such ten per cent shall not be taken into account<sup>xxv</sup>. The State by default will be responsible for constituting the negotiating council as the 75% criteria is unreasonable and difficult to be complied. This seems to be a strategic move on the part of the State because though it appears to give the labourers right to choose their representatives to negotiate but this clause in its substance is a manifestation of the apprehension of the government and their distrust in the negotiating process. The Legislature fails to envisage what happens if the workers of an establishment that associate with different trade unions and all of such association is below

10%. In such a scenario, does the State decide upon the representative of the labourers according to their own will or should the labourers decide for themselves.

The IR Code has systematic omissions to specifically regulate and administer the collective bargaining power of the working class. This need to constantly regulate and suppress the collective bargaining power stems from their apprehension of potential friction between the two classes which can be detrimental to the productive ability of the establishment. An interesting point to note here is that such a threshold did not exist in the erstwhile labour legislation. The first draft for the industrial relations code had proposed 66% threshold which received a lot of criticism<sup>xxvi</sup> and instead of doing away with the threshold or minimising it, the State remained averse to the criticisms and increased the bar for appointing a trade union as the sole-negotiating council.

The Wages Code has implementation lacunas which seem to be intentional more than accidental. The major drawback of the erstwhile Acts were the implementation difficulties. The Wage Code simply dismantles the old mechanism and substitutes it with a new one without any implementational changes. This serves two purposes- first, at its face value it seems to be that the government is reforming the implementation mechanism and upholding its 'socialist' ideals but if the section is deconstructed, the inefficiency of the same becomes blatant. Second, the inefficiency is not accidental but has been specifically designed to reduce friction and unnecessary interference of the State in the policy adopted by the capitalist to administer the industrial establishment. Additionally, we see the leniency of the government towards the industrialists. After a complaint is filed under section 52(1) of the Code<sup>xxvii</sup>, the employer is given an opportunity of compliance and no actions are taken against him at the first instance. This gives the capital an opportunity to contravene the provisions of the Act in the first place. The capital is aware that there shall be no penalties for the same in the first instance. The State has tried to maintain a conducive environment for the industries to thrive and to not get muddled up in unnecessary litigation which can impact the productivity of the industry and cause loss to the capital. The active steps taken on the part of the government for smooth functioning of the capital becomes more evident when we read this section along with the provisions of the Industrial Relations Act. Thus, the 'inefficiency' of implementation mechanism is designed to serve the interests of the capitalists specifically.

### STATE AS THE IDEAL COLLECTIVE CAPITALIST

The Labour Code Bill is an instrument for the State to create an image of ideal collective capitalist<sup>xxviii</sup>. A bird's eye view of the Bill gives us the sense too. The relaxation of inspection schemes and dilution of the substantial labour rights are evidences for the same. There are enough instances to demonstrate that though the law claims to be universal, envisaging interests of everyone irrespective of their class, the legislations have an inherent inclination towards upholding and protecting the interest of one particular section of the society. It aims to create an image of an ideal collective capitalist for purposes as explained later in the paper.

The Code recognises the right to strike but dilutes it to such an extent that though the Code appears to entail universality it is in effect upholding the interest of the capitalist over the rights of the working class. The dispute arising between the employer and employee/trade union with respect to hours of work or payment is considered to be an industrial dispute under the Industrial Dispute Act, 1947 which has been consolidated under the Industrial Relations Code. The Industrial Relations Code has not yet been passed by the Parliament. Once the Code does get notified, during the pendency of any industrial dispute before an adjudicatory body under section  $62(1)^{xxix}$  of the IR Code, no strikes can be organised. Therefore, during the pendency of the suit, the labourers cannot hold strikes. Moreover, according to the new definition of strike under section 2(zf)<sup>xxx</sup> of the Industrial Relations Code, if more 50% of workers take a casual leave, it shall amount to holding a strike. The consequence of this provision is that while a dispute is pending, the workers cannot halt working as the same may amount to a strike if the required number of workers are not present and will be held to be illegal. Under the act, the registration of a union can be cancelled for holding an illegal strike. The consequence of an industrial establishment violating basic rights of the employee has pecuniary and penal consequences. Their right to work or license is not cancelled for ill-treating the worker but an illegal strike can deprive the workers of their collective bargaining power.

The inspection scheme has also been modified under the Wages Code. Under the erstwhile legislations, the Labour Commissioner could have entered the premises of an industrial unit for a surprise check. Under the Code on Wages, section 51(2) states the provision for inspection. The inspection cannot be carried out without appropriate directions from the government under section  $51(5)(b)^{xxxi}$  of the Code. The Officer does not have the authority to conduct inspections

on his own discretion even upon receiving any relevant information with respect to an industrial unit within his jurisdiction. The Executive has the power to decide the scheme of inspection and no proper guidelines have been given for the same. The only thing that has been mentioned is that it can be web-based. Therefore, the State shall have direct role in initiating and thereby controlling the inspections. Surprise inspection can disrupt the normal functioning of an establishment directly affecting their productivity. Therefore, in order to maintain the decorum required to optimize the productivity of an establishment, the State has relaxed the inspection provisions further strengthening the power of the capital. The workers might be subjected to austere working conditions but until the inspector receives directions for inspection, he cannot enter the premises. This provision directly reflects the interest of the State in regulating the industrial relations in favour of the capital. The State/Executive has taken the process of inspection upon itself while giving the Inspector almost no power to initiate the same under the Act.

The State has by diluting the right to strike and relaxing the inspection scheme, ensured to create a conducive structure for the smooth functioning of industrial units even during the pendency of a dispute. It has created an image of an ideal collective capitalist<sup>xxxii</sup> for itself. This image shall help the State in retaining and maintaining the confidence of the capitalist class and provide as a catalyst for investments by foreign entities, thus, reaffirming the class structure.

The State also has a direct interest in maintaining the capitalist class as the political elite and creating a conducive environment to portray itself as the ideal collective capitalist. The political parties that form the government after general elections are funded by the corporations. Corporate funding of political parties has only increased post liberalisation<sup>xxxiii</sup>. To ease the process of funding, there have been appropriate legislations in place which makes the identity of the donor anonymous. According to the reports by Association for Democratic rights, revealed that corporates donated Rs. 9.16 billion to BJP in the year 2016-17 and 2017-18<sup>xxxiv</sup>. These political parties ultimately form the government at the Centre and the political funding by such corporations creates bias in favour of the capitalist class. A vicious cycle is created where the political parties rely on corporations for funding and when the party comes into power, it maintains the interest of the capitalist class. There is no strict regime which regulates political funding mechanism and allows for blatant exploitation of their position as the

Therefore, it is necessary for the state to maintain the image of an ideal collective capitalist as it helps them maintain their position of power. This is an explicit example of collusion between the state and the market. The vicious cycle of maintaining each other in power.

# EXCESSIVE INTERVENTION BY THE STATE IN THE ADJUDICATORY PROCESS

The State disciplines the labour at behest of the capital by retaining the power to refer disputes and actively participating in the adjudicatory and 'conciliatory' processes. Under the former labour legislations, the State was the sole-arbiter of disputes.

Arbitration was given 'step-motherly' treatment under the older legislation<sup>xxxv</sup>. This has barely changed with the advent of Industrial Relations Code. Section 42(3)<sup>xxxvi</sup> requires the arbitration agreement between the capital and labour to be forwarded to the Government and to be registered with the Conciliation Officer. Once, the arbitration proceeds and the State is satisfied that both parties have majority of each party and in this case, only then the other parties who are not a signatory to the arbitration agreement but have a cause of action, can be allowed to present their case. After the investigation the arbitrator is required to forward the award to the appropriate government.

The provisions of Arbitration and Conciliation Act, 1996<sup>xxxvii</sup> do not apply to arbitrations in case of industrial disputes<sup>xxxviii</sup>. There two major problems with the above-mentioned provisions. First, there is too much intervention by the State at every stage of Arbitration- at its inception, during the proceeding and after the award is given. The State seems to be weary of this adjudicatory process. The jurisprudence around Arbitration has considerably evolved through the years. In fact, the Indian courts have taken pro-arbitration decisions in the last two decades along with the appropriate amendments to implement the same. The Arbitration & Conciliation Act, 1996 allows non-signatories to an Arbitration agreement to be parties too<sup>xxxix</sup> without any interference by the State. The State actively participates in the process by regulating who can and cannot be a party to the arbitration proceedings. Secondly, the non-

application of the Arbitration and Conciliation Act can lead to the exploitation of the process and fair means of adjudication may be compromised with due to the constant interference by the government. Moreover, the clause relating to Arbitration in the IR Code is a replication of the one in the 1947 Act with absolutely no amendments.

The mechanism to address or resolve capital-labour issues is also quite elaborate. The IR code provides for various conciliatory and adjudicatory forums for maintaining labour-capital relations. There have been steps taken to address the disputes within the establishment itself. The code envisages the establishment of Works Committee<sup>x1</sup>, Grievance redressal committee<sup>xli</sup>, Conciliation officer<sup>xlii</sup>, Industrial and National Tribunals and Arbitral Tribunal (if an arbitration agreement exists). This shows an attempt on behalf of the State to resolve a dispute as amicably as possible. The State recognises that it is necessary to have minimum friction between the two classes as it can affect the productivity of the industrial unit at large. This provision reinforces the neo-liberal regime as the state shall actively participate in the adjudicatory process whilst ensuring that the productivity of the establishment does not receive a set-back due to the litigation. This is consequently depriving the labourers a fair trial because the ideological endorsements of the state do create a bias in favour of the capital. As already mentioned, there can be no strikes organised during the adjudicatory processes as specified in the Act. Moreover, only the central government can refer a dispute to the national Industrial Tribunal and the courts cannot take cognizance of the disputes until the Government refers the same to them, thus, ensuring absolute executive control over dispute resolution mechanism at every stage. The State is an active participant in the resolution process right from the beginning. Therefore, the State has adopted every measure to ensure that industrial disputes do not aggravate to such an extent that it affects the production capabilities of the industrial establishment.

The lacunas in the implementation scheme under the Wages Code and provisions for excessive state intervention in industrial disputes is evidence to the fact that these provisions have been meticulously designed to retain the capital's position and to ensure the efficient functioning and reinforcement of the capitalist structure.

#### **RESPONDING TO UPRISINGS WITH REPRESSIVE LEGISLATIONS**

Ill-treatment of the labour class is an irrefutable reality. Many scholars have indicated that repressive environment in the establishment directly leads to violence at work. The repressive environment is characterised by hiring contract labour for perennial jobs, non-recognition of trade unions, disparity in the wages paid to contract labourers and permanent workers, insensitive work conditions<sup>xliii</sup>. The prevalent structure undermines labour rights to maximise production. The triggering factor for the homicide of Maruti Suzuki's senior official at the Manesar unit was the abusive remarks by the senior official. The establishment refused to recognise the formation of a union. The permanent and contractual workers who applied for the registration of a union were also terminated. The workers organised a 13-day strike, the government later cancelled the registration on the ground of an illegal strike. The establishment recognised the union of only the Gurgaon factory and believed in 'one company, one union policy', a rationale put forward by the capital to prohibit the organisation of the working force and formation of a trade union. The Government cancelled the registration and implicitly upheld the establishment's prohibition against unionisation of workers because the strike was 'illegal'. The company locked out the adamant workers and asked them sign the good conduct bond which the workers refused to but after a month they settled for a tripartite agreement. Later during new rounds of negotiation when the there was little progress and the pressure from the members of newly formed union was increasing and the offers made by the management was desultory, violence broke out in the Manesar plant which resulted killing a senior official of the management and injuring two Japanese nationals. After this incident, the workers of the industrial unit were allowed to form a Union. The homicide was not caused due to one factor. The triggering event cannot be seen independently but the uprising was a consequence of the cumulative effect of the abuse inflicted upon the labourers over a period of time which denied the workers their basic rights.

There were similar uprisings with the same consequences in other industrial units as well<sup>xliv</sup>. The Labour Code Bill was required to address these core issues. The Code has introduced a reskilling funds and classified bonds of good conduct as an unfair labour practice but one cannot ignore the dilution of right to strike, disempowering the informal sector from unionising and constant interference by the State in the adjudicatory process in order to prevent incidents like Manesar from repeating itself. The Labour Code Bill is a pyrrhic victory for Indian proletariats. The Code can be construed to be a response to such uprisings as the State has taken conscious measures to disempower the workers from forming unions and compromised with their collective bargaining power in furtherance of their neo-liberal regime.

### SURPLUS REPRESSION

Mass strikes were held all over the country in January, 2020 against the repressive provision of the Labour Code Bill. The State remained averse to the strikes against the Labour Code in particular and to the deteriorating conditions of the working class in general when the pandemic hit. The government was apathetic to the conditions of migrant workers. To worsen the condition even further, labour laws were suspended to ensure the As P. Sainath pointed out in a recent interview, that the government gave 4 hours to a country with a population of 1.3 billion to go on a 21-day lockdown (which was further extended) with absolutely no provisions for migrant and daily wage earners who were rendered jobless and forced to return to their villages<sup>xiv</sup>. The rich can afford to 'quarantine' and practice 'social distancing' but the law did not take any measures for the safety of the daily wage earners. The migrant workers decided to walk back to their villages as the only alternative but they were beaten up and not allowed to cross the inter-state border.

The migrant workers not only fall victim to the violence within the establishment but to the entire capitalist structure. Workers are perennially subjected to violence but the pandemic has brought the injustices to surface. Videos of migrant workers being hit with lathis and not being allowed to sit anywhere were brought to light<sup>xlvi</sup>. Prof. Baxi refers to this as surplus repression. Surplus repression is the use of excessive force despite not being sanctioned by law. The structure is designed to systemically perpetuate this violence. The ignorant approach of the State subjected the workers to direct violence by the its agencies. Additionally, the suspension of all the labour legislations for 3 years in UP is yet another illustration repression and violence against the workers. The abuse inflicted upon workers shall only increase with the legal vacuum that has been created. The timing was also strategic, when the industrial units commence functioning post lockdown, the market should be attractive enough for foreign investments even if it comes at the expense of rotting the Indian workforce.

### CONCLUSION

While announcing the lockdown, the Prime Minister of the country requested the capitalists to pay full wages to their workers without any mechanism to implement it and on the other hand, to secure the continuous flow of investment, labour legislations were suspended by means of an ordinance. The State secured the interest of one class while completely neglecting the one which was worst affected. Professor Baxi's piece does become very relevant especially in the current times. The ideological inclination of the State constantly reaffirms the class structure, the policies and legislations introduced favour the interest the capitalist. Though state claims the law to embody 'universal rights', the true intentions have been exposed time and again. The State while alleging to be a socialist democracy has persistently advocated and advanced the neo-liberal regime which by its nature promotes the minimal government intervention in the market along with creating conducive environment for capitalism to flourish. Creating 'conducive environment' includes availability of cheap labour and easing hire and fire of workers. The socialist facade is necessary to be maintained and the introduction of the Labour Code Bill was a measure taken to advance this façade. When one deconstructs the provisions of the Bill, the real intentions of the government becomes apparent. P. Sainath's Nero's Guest<sup>xlvii</sup> also brings to light the apathy of the government to the working class of the society. In order to promote the industries, the agricultural economy is compromised<sup>xlviii</sup> which forces farmers to become migrant workers. The migrant workers are consequently subjugated in the class structure and deprived of basic rights. The structure is meticulously designed for advancing the interest of one class at behest of the other. The country's economic growth has increased in the last 30 years but so has the economic disparity, not only between the capitalist and the worker but also within the working class depending upon their nature of their appointment, whether permanent or contractual<sup>xlix</sup>. There have been strikes and unorganised uprisings against the archaic labour laws demanding reformation but the Code only aims to further repress it. The paper unfolds how the reign of terror and rule of law continue to act in conjunction to reinforce and reaffirm the capitalist structure. The hostile working conditions and methodologies adopted by the State and all its limbs has absolutely neglected the labour class in order to further the neo-liberal regime, even during the pandemic.

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<sup>vi</sup> The Foreign Trade (Development and Regulation Act), 1992.

<sup>vii</sup> see also United Nations Conference on Trade and Development, Twenty Years of India's Liberalisation Experiences and Lessons, UNCATD/OSG/2012/1 (the report shows India's Liberalised Exim policies in every five years)

<sup>viii</sup> see also Indian Inequality Report 2018: Widening Gaps (Oxfam India) (the report discusses that India has high income inequality and provides statistical data for the same. It argues that the wealthiest in the economy have made their fortune through capitalism and the already prevailing social hierarchies like caste)

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xiii Payment of Wages Act, 1936.

<sup>xiv</sup> Minimum Wages Act, 1948.

- <sup>xv</sup>Equal Remuneration Act, 1976.
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- <sup>xvii</sup> Industrial Dispute Act, 1947.

xviii Trade Unions Act, 1926.

<sup>xix</sup> Industrial Employment Act, 1946.

<sup>xx</sup> Supra note 1, at 186.

<sup>xxi</sup> Ibid.

<sup>xxii</sup> Ibid, at 2.

<sup>xxiii</sup> See Himanshu, Inequality in India: Review of Level and Trends, 6-11 (United Nations University World Institute for Development and Economics Research, Working paper 2019/42, May 2019) (The paper analyses the increasing inequality with respect to consumption, income and wealth by providing statistical data. It shows the growth of inequality in almost all dimensions)

xxiv Supra 1, at 186.

xxv Ibid. at 2.

<sup>xxvi</sup> See International Trade Union Confederation, *Labour Law Deregulation*, 8 (The report criticizes the 66% threshold and states that this provision violates the International standards and undermines the principle of collective bargaining power.).

<sup>xxvii</sup> S. 52(1), Code on Wages 2019.

xxviiiSupra note 1, at 1.

<sup>xxix</sup> S. 62(1), Industrial Relations Code (referred to Parliament's Standing Committee).

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<sup>xxxvi</sup> S. 42(3), Industrial Relations Code. (Referred to Parliament's Standing Committee) <sup>xxxvii</sup> Arbitration and Conciliation Act, 1996.

xxxviii S. 42(8), Industrial Relations Code. (Referred to Parliament's Standing Committee)
xxxix See S. 4, The Arbitration and Conciliation (Amendment) Act, 2015 (The words 'any person claiming through or under him' were added to section 8 of the Arbitration and Conciliation Act which allowed non-signatories to invoke the arbitration clause)

<sup>xl</sup> S. 3, The Industrial Relations Code, 2019. (Referred to Standing Committee of the Parliament)

<sup>xli</sup> S.4, The Industrial Relations Code, 2019. (Referred to Standing Committee of the Parliament)

xlii S. 43, The Industrial Relations Code, 2019. (Referred to Standing Committee of the Parliament) xliii See Santanu Sarkar, *Murderous Violence at Work: conflict and aggression in Indian auto factories*, WORK ORGANISATION, LABOUR AND GLOBALISATION 38, 39-41 (2015).

<sup>xliv</sup>See Ibid. (The author cites 3 more instances of violence at work which were similar to the Maruti episode with similar circumstances which led to the same consequence. The industrial units of Allied-Nippon, Graziano and Pricols were the ones which met with the same fate.)

<sup>xlv</sup> FIRSTPOST, https://www.firstpost.com/india/urban-india-didnt-care-about-migrant-workers-till-26-march-only-cares-now-because-its-lost-their-services-p-sainath-8361821.html, (last visited May 14, 2020)

<sup>xlvi</sup> AL JAZEERA, https://www.aljazeera.com/programmes/newsfeed/2020/03/indian-police-force-coronaviruslockdown-offenders-200330102752863.html, (last visited May 14, 2020)

xlvii NERO'S GUEST (2009)

<sup>xlviii</sup> Ibid. <sup>xlix</sup> Supra note 24, at 10