

**S.S.e.2. – VINCENT PANIKULANGARA—Industrial Laws in Transnational Corporations and Their Impact on The Economic Conditions of Labour: A Case Study of Pharmaceutical Industry in India—1983—  
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Towards the latter half of this century a trend to make use of the instrumentality of law in order to achieve certain social objectives has emerged almost all over the world. Welfare legislation, accordingly, assumed significance in development efforts especially in the less developed countries towards achieving objectives such as reduction of in-equalities and the regulation of social relations. But experience shows that there is a wide discrepancy between law and practice. Though this discrepancy can be common, its nature and its extent can be influenced by the degree of militancy and determination of the beneficiaries of the enactment. Under conditions where the state implements a welfare enactment without the participation of any beneficiary group, the scope for such discrepancies is higher. Similarly, when the beneficiaries are weak and unorganised the chances for discrepancies stand to be higher. In situations where the beneficiaries of any welfare enactment are militant and determined the discrepancy between law and practice can be reduced considerably.

Therefore, the discrepancy in the case of an enactment enabling the extraction of surplus produce by the Government, can be fairly high while that in the case of an enactment intended to afford better conditions of work for the farm labour can be less. Similarly the discrepancy in the case of enactments concerning industrial workers can be less compared to that in regard to agricultural workers. However, with the collusion of a section of the workers, even in the industrial sector, the level of discrepancy can be engineered. That is to say, if the management and the permanent section of the workers, strike a deal, it may be possible to reduce the discrepancy in the case of the permanent workers, while aggravating that in relation to the non-permanent ones.

This study proposes to verify the above hypothesis relating to labour legislation in the industrial sector. Here, there are as many as fifty enactments of the Central Government alone, since 1920 (except for the Fatal Accidents Act enacted in 1855). These legislations indicating the growth of this branch of law over a period of more than half a century cover a wide spectrum of interests of workers, both individual and collective in different areas of employment. However, this study relates mainly to (a) Trade Unions Act, (b) Industrial Employment (standing orders) and (c) Industrial Disputes' Act.

**Methodology.**

The study is partly descriptive and partly analytical. Data for the study were collected mainly through field investigation and from official record.

**Scheme of the Study.**

The study consists of eight chapters. The introductory chapter discusses the discrepancy between law and practice. The second chapter provides a review of literature on the impact of transnational companies on labour in host countries. The third chapter deals with transnational companies in terms of economic

resources and the repatriation of profits. The fourth chapter gives a brief survey of the industrial laws in India. The fifth chapter discusses the different aspects of the Pharmaceutical industry in India. Chapters six and seven present the practices relating to labour in transnational companies in the pharmaceutical industry. The concluding chapter discusses the impact of the discrepancy between law and practice on the economic conditions of labour.

## **Conclusion**

It follows from this study that the labour practices of TNCs can produce adverse impact on this industrial relations in India. Such adverse impacts will not be confined to the economic conditions of labour alone, but it can extend to other areas such as the consolidation and the expression of the class interests of the workers.

The classification of workmen into permanent and non-permanent in terms of both economic gains and job status can lead to a differentiation and polarisation among the workmen. In the event of such a development, the permanent workers who are better off and the favourites of the management can turn out to be more status quo oriented and prestige-conscious and less concerned about the values and interests of the workers as a whole. On the other hand the less privileged non-permanent workers are made submissive by the insecurity of their jobs.